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Financial report and audited financial statements

for the 12-month period from 1 July 2014 to 30 June 2015

and

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

AMISOM	African Union Mission in Somalia
BINUCA	United Nations Integrated Peacebuilding Office in the Central African Republic
ICT	Information and communications technology
IPSAS	International Public Sector Accounting Standards
MENUB	United Nations Electoral Observation Mission in Burundi
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observation Mission in Angola
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
OIOS	Office of Internal Oversight Services
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMA	United Nations Assistance Mission in Afghanistan
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission

UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force
UNEP	United Nations Environment Programme
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNIPSIL	United Nations Integrated Peacebuilding Office in Sierra Leone
UNISFA	United Nations Interim Security Force for Abyei
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMEER	United Nations Mission for Ebola Emergency Response
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISS	United Nations Mission in South Sudan
UNMISET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission in Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPSG	United Nations Civilian Police Support Group
UNSMIH	United Nations Support Mission in Haiti

UNSMIS	United Nations Supervision Mission in the Syrian Arab Republic
UNSOA	United Nations Support Office for the African Union Mission in Somalia
UNSOS	United Nations Support Office in Somalia
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization

Letters of transmittal

Letter dated 30 September 2015 from the Secretary-General addressed to the Chair of the Board of Auditors

In accordance with financial regulation 6.2, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 2014 to 30 June 2015, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **BAN Ki-moon**

Letter dated 14 January 2016 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2015, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the United Republic of Tanzania
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Report on the financial statements

We have audited the accompanying financial statements of the United Nations peacekeeping operations, which comprise the statement of financial position as at 30 June 2015 (statement I), the statements of financial performance (statement II), changes in net assets (statement III), cash flows (statement IV) and comparison of budget and actual amounts (statement V) for the year ended 30 June 2015, and the notes and annexes to the financial statements.

Management's responsibility for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2015 and their financial performance and cash flows for the year then ended, in accordance with IPSAS.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the United Republic of Tanzania
(Chair of the Board of Auditors)

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India
(Lead Auditor)

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the United Kingdom of
Great Britain and Northern Ireland

14 January 2016

Chapter II
Long-form report of the Board of Auditors

Summary

United Nations peacekeeping operations are deployed on the basis of mandates from the Security Council to maintain international peace and security. As at 30 June 2015, there were 15 active United Nations peacekeeping missions, with 122 countries contributing 92,561 military personnel and 88 countries contributing 13,095 police personnel. In addition, there were 17,197 civilian staff of over 176 nationalities and 1,772 United Nations Volunteers.

The approved peacekeeping budget for the financial year 2014/15 was $8.57 billion, which represented an increase of 8.6 per cent compared with the previous year's budget of $7.89 billion. Expenditure increased by 9.1 per cent in 2014/15 to $8.30 billion from $7.61 billion in 2013/14. An amount of $0.27 billion was unutilized.

Scope of the present report

The audit examination conducted by the Board included the peacekeeping headquarters, the 15 active and 31 closed missions and the four special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, UNLB, including the Global Service Centre, and the Employee Benefits Funds.

Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Nations peacekeeping operations as at 30 June 2015 and the results of operations and cash flows for the year then ended, and have been properly prepared in accordance with IPSAS.

Overall conclusion

The year ended 30 June 2015 was the second year of preparation of the financial statements under IPSAS. The Administration has strengthened the systems and processes for preparation of financial statements, which was reflected in greater accuracy and a reduction in the number of errors requiring rectification. However, there remains room for further improvement, and the Administration needs to continue its efforts to strengthen IPSAS-based accounting processes and, in particular, train staff at the field missions.

The Board noted that the rate of implementation of its recommendations remained more or less static, with a marginal increase from 51 per cent in 2013/14 to 52 per cent in 2014/15. However, the recommendations shown in annex II as implemented include recommendations that have been reiterated in the current report and that have been closed in the previous report only to avoid duplication. If these are excluded, the rate of implementation in terms of actual remedial action falls to 28 per cent. The Board recognizes that this is partly attributable to the nature of the recommendations made in the previous report, which required substantive and often systemic action, necessitating a longer time frame for compliance. Seeking

substantive and demonstrable action before closing a recommendation, coupled with fewer recommendations, as in the current report, facilitates a qualitative improvement in the overall process of addressing the concerns raised in its reports. Nevertheless, it is necessary for the Administration to ensure concerted action to implement the Board's recommendations as expeditiously as possible.

The Board's examination of the financial position of peacekeeping operations confirmed that they remained financially stable, with sufficient cash resources to sustain core operations. As in previous years, the Board noted continuing weaknesses in business processes, such as budget formulation and financial management, procurement and contracting, asset management, construction management, and in the implementation of quick-impact projects. In the current report, the Board also identified areas for improvement in enterprise risk management, provision of medical services, and environmental protection and waste management in field missions.

Procurement and contracting remained high-risk areas, in which the Board continued to note actions that were not in conformity with the extant rules and regulations and which had the potential of exposing the Organization to irregular practices and financial losses and impeding the effective delivery of mandates by the field missions. There was an increase in the cases of fraud and presumptive fraud reported by the Administration, from 29 cases in 2012/13 to 52 cases in 2014/15, which underlined the need for greater emphasis on fraud awareness and prevention. The Board considers that there may be a risk of underreporting of fraud owing to the lack of systematic processes to identify and report cases. While some steps had been initiated to improve utilization and security of ICT assets in peacekeeping, the improvement was uneven across missions and there remained much to be done.

There were noticeable improvements in some areas that had been highlighted by the Board in its previous reports. These included a reduction in delays in write-off and disposal of assets, a reduction in excess holdings of light passenger vehicles, an improvement in compliance with the policy directive relating to advance purchase of tickets for official travel and better utilization of budgeted flight hours.

The Administration has achieved substantial progress in various components of the global field support strategy over the five years of its implementation period, which ended in June 2015. However, the end-state vision was not fully achieved for any of the pillars of the strategy. While the Administration faced challenges in implementing various facets of the strategy arising from competing operational demands, it should have been possible for the Administration to coordinate, prioritize and plan its activities more effectively, focusing on a clearer demonstration of how the essential objectives of the strategy were to be achieved, and to better demonstrate the benefits that would accrue to all stakeholders.

The Administration had stated that the implementation of the global field support strategy up to 2013/14 had resulted in net savings of $424.51 million. However, in some instances, the figures reported under the costs and benefits were estimated on the basis of budgets rather than actual expenditure. While the benefits of a business transformation strategy such as the global field support strategy may be both tangible and intangible, a benefit realization plan must capture the actual costs and realized benefits on the basis of an objective and consistent methodology that can be empirically established.

Key findings

Budget formulation and financial management

There was no significant improvement in the level of variances between appropriation and expenditure across missions in classes or subclasses of expenditure. The Board noted underexpenditure up to 81 per cent and overexpenditure up to 1,666 per cent. There were also instances of expenditure under classes and subclasses for which there was no appropriation. Budget formulation was weakened by unrealistic assumptions and a failure to take note of historical trends or to take into account all relevant factors. Deficient budget formulation led to redeployments between different classes of expenditure totalling $291.36 million during 2014/15, which was about the same level, in terms of percentage of the original budget, as in 2013/14. In some instances, amounts redeployed under a particular expenditure class or subclass remained partly unutilized at the end of the financial period.

Asset management

The directive on property management issued by the Administration in February 2015 requires that assets be put to use immediately after their entry into inventory, with the exception of reserve and safety stock items. "Ageing stock" is defined as items held in stock for a period of more than six months. Assets valued at $37.79 million were awaiting deployment for periods longer than six months. In addition, 12,890 items valued at $110.51 million were withdrawn from use over a period of 12 months. Furthermore, 9,550 assets valued at $14.71 million were transferred to missions after the completion of their life expectancy, while 5,720 items valued at $8.86 million were transferred to missions with less than one year of useful life remaining. A total of 7,810 items valued at $11.2 million out of the total of 56,366 items (14 per cent) had exceeded their life expectancy while lying unused in stock. There was a need for closer linkage between acquisition planning and procurement and deployment of equipment.

A total of 23,176 items were written off and 22,212 items were disposed of during 2014/15. While the average time taken for write-off of assets (83 days) and for disposal of assets (111 days) was within prescribed parameters, 4,363 items of the 23,176 items written off during the year (18 per cent) were written off beyond the prescribed timelines and 6,607 items of the 22,212 items disposed of (30 per cent) were disposed of beyond the prescribed timelines.

Furthermore, items valued at $4.57 million were not found during physical verification in three field missions. In its previous report, the Board had highlighted items valued at $3.17 million that could not be located in four missions and the Administration had stated that missions were being reminded to step up the process of physical verification and to reconcile discrepancies in the reports.

Strategic deployment stocks

Strategic deployment stocks were set up in 2002 to facilitate quick start-up of new missions and to ensure operational capability to quickly deploy peacekeeping operations following adoption of the requisite resolution by the Security Council. The fulfilment of this objective involves both timely procurement of the items required and turnover of stocks to ensure that the items in stock remain contemporary. As at 30 June 2015, there were 3,687 items valued at $46.06 million

in the strategic deployment stocks inventory. However, 55 per cent of the items in strategic deployment stocks were more than a year old. These items included ICT equipment valued at $3.37 million, which were prone to obsolescence within a short span of time, and items such as generator sets, hospital equipment, water pumps, soft water storage equipment, sea containers, furniture and fixtures and security and surveillance equipment that ran the risk of reaching the end of their usable life even before utilization. A total of 579 items valued at $4.37 million had already exceeded their useful life.

Travel management

The General Assembly had approved an amount of $55.34 million for official travel from the peacekeeping budget. The budget appropriation was increased to $67.58 million through the redeployment of $12.24 million from other categories of expenditure, with the highest level of redeployment being in MINUSCA, MINUSMA, UNAMID and UNMISS. Hence, while the total expenditure of $63.04 million in 2014/15 represented a decrease of about 4 per cent compared with that of 2013/14, it was still in excess of the initially appropriated amount. Furthermore, two missions (UNMIK and UNSOA) and the Global Service Centre had excess expenditure of over 5 per cent against the final appropriation, while seven missions and the support account registered underexpenditure by a margin of over 5 per cent. Of those seven missions, MINUSTAH, UNMIL and MINURSO had the greatest underexpenditure (41, 21 and 18 per cent, respectively).

The relevant administrative instruction states that all travel arrangements for individuals, including advance booking and purchase of tickets, should be finalized 16 calendar days in advance of commencement of official travel. The overall extent of non-compliance decreased from 52 per cent in 2013/14 to 48 per cent in 2014/15, with significant improvements in compliance in MINUSCA, MINUSMA, UNOCI, MONUSCO, UNDOF, UNIFIL, UNMIK and UNMISS. However, non-compliance increased in MINUSTAH, UNSOA and UNMIL. There remained ample scope for improvement, as a large number of the cases of non-compliance were related to travel for conducting interviews, attending meetings and carrying out evaluations/ inspections that could have been planned in advance.

Air transportation

Peacekeeping operations incurred an expenditure of $750.92 million in air transportation during 2014/15, which was 26 per cent of the total expenditure of $2.84 billion under operational costs. The aviation fleet is a diverse mix of military and civilian aircraft consisting of a total of 55 fixed-wing and 150 rotary-wing aircraft. Of the total of 60,152 air fleet support days, there were 20,031 days on which no flight was required and 11,097 days on which no flight was available. The aircraft were thus not utilized by the missions for more than 50 per cent of the contracted days, and there remained a persistent mismatch between the flight hours available and those actually required or utilized by missions.

The primary purpose of the Strategic Air Operations Centre is to ensure that strategic and out-of-mission flights are efficient, cost-effective and responsive to operational needs by taking into account the complexities, specificities and operational conditions of each mission. This objective remained unfulfilled, as the Centre failed to carry out pre-flight and post-flight analysis of strategic and out-of-mission flights. There were 129 strategic/out-of-mission flights during 2014/15. Requests were received late in 104 cases (81 per cent), which meant that the Centre did not have adequate time to carry out pre-flight analysis. Task analysis prior to departure of the flights was carried out by the Centre in only four cases. Post-flight analysis was not performed in 124 cases (96 per cent).

Underutilization of unmanned aerial vehicles

MINUSMA and MONUSCO have introduced unmanned aerial vehicle systems for reconnaissance purposes. The average utilization ranged from 8 to 44 per cent of the estimated utilization per month. Given the experience gained and keeping in view the actual utilization rates, there appeared to be scope for optimization of the number of systems leased to reduce costs without compromising operational requirements.

Procurement and contracting

The Board continued to note instances of deviation from bidding requirements or established tendering processes, lack of competitive bidding, non-levying of liquidated damages, non-adherence to provisions relating to performance bonds and deficient contract management.

A prompt payment discount amounting to $524,670 could not be secured under contracts for fuel, rations and other items owing to delays in the processing of invoices and claims.

Global field support strategy

While substantial progress had been achieved by the Administration in various aspects of the global field support strategy over the five years of its implementation, there were significant shortfalls in achieving the end-state vision. The Board highlighted the following:

- Although governance and performance management were identified as key elements that were to be established at the beginning of the implementation period, the end-state vision and the key performance indicators were introduced in the second and third year of implementation. Articulation of the end-state vision and strategy for implementation of the global field support strategy at the beginning of the implementation period would have facilitated achievement of the end-state vision;

- The Global Field Support Strategy Steering Committee was the primary body to provide overall guidance and corrective action for timely implementation of the overall strategy. The lack of periodic monitoring and review of the progress of implementation of the global field support strategy by the institutional mechanism established for this purpose detracted from its effective and timely implementation;

- A programme implementation plan had been developed in May 2013, consisting of 12 main activities and 176 sub-activities. In its previous report, the Board had highlighted that 75 of the 176 sub-activities had yet to be completed. The programme implementation plan was updated only in February 2015, with just four months left in the implementation period. Of the 75 pending sub-activities noted by the Board in its previous report, 11 sub-activities were still pending;
- The resource efficiency group was set up to identify opportunities for significant efficiency gains in peacekeeping operations both at the mission level and at Headquarters. The Board, in its previous report, had highlighted the fact that the resource efficiency group had not met since July 2012 and had recommended that the group be reconstituted, with a clearly defined role and responsibilities, to ensure the regular review of efficiency measures across the field. However, no steps were subsequently initiated to either reconstitute the resource efficiency group or charge another review body with the function of identifying and following through on identified efficiencies;
- Key elements of the human resources pillar such as workforce planning, succession management, filling of vacancies and completion of a monitoring and accountability framework had yet to be achieved. There were also delays in taking forward the supply chain management pillar and in developing enabling capacities;
- The Administration stated that the cost of implementation of the global field support strategy up to 2013/14 was $19.40 million, while savings were $443.91 million, resulting in net savings of $424.51 million. Some reported figures were estimates based on the budget and could not be construed as actual realized benefits. Furthermore, there were instances in which the Administration was not able to provide a breakdown or documentation in support of those costs or benefits, including amounts that had been reported to the General Assembly. Consequently, the Board was unable to obtain sufficient evidence to fully validate the claims made by the Administration.

Information and communications technology resources in peacekeeping operations

The Board continued its examination of the deployment and utilization of ICT resources in peacekeeping operations and highlighted the following:

- In its previous report, the Board had highlighted wide variations between the budget and actual expenditure in six missions (UNISFA, UNMISS, MINUSMA, MONUSCO, UNAMID and UNIFIL) and the Regional Service Centre in Entebbe, Uganda. The Board looked at a further six missions (UNOCI, UNIFIL, MINURSO, UNMIK, UNDOF and UNFICYP) and noted underspending in communications in five missions, and underspending in two missions and overspending in the other four missions in information technology. This was indicative of poor budget formulation and management and weak financial control;
- There were 163,886 ICT assets with a purchase value of $639.49 million (87,962 communications assets valued at $392.46 million and 75,924 information technology assets valued at $247.03 million). The life expectancy has been fixed as four years for information technology assets and seven years for communications assets. A total of 50,573 ICT assets (31 per cent), valued at

$243 million, had exceeded their life expectancy. These comprised 16,065 communications assets valued at $128 million and 34,508 information technology assets valued at $115 million;

- The Board had previously recommended that proposals for the setting of ICT standards be evaluated in an empirical manner by clearly defining the operational requirements to be fulfilled and undertaking market research and competitive bidding. The Board also recommended that a comprehensive cost-benefit analysis be undertaken in adopting new standards or replacing old ones. No market research or cost-benefit analysis had been undertaken or documented in respect of any of the 15 standards that were formulated or extended during 2014/15;
- Disaster recovery and business continuity plans that were scheduled to be reviewed in October 2013 had yet to be reviewed and updated;
- Network intrusion detection was available in only two missions (UNOCI and UNAMA) and the Regional Service Centre in Entebbe during 2013/14 and 2014/15. Incident management was available in only four missions during both years. A retention schedule was available in 11 missions and a disaster recovery plan was available in 21 missions, including special political missions, during both years;
- Systematic and periodic vulnerability assessments are essential to identify security threats to information security systems in an organization. Four of the six missions reviewed (MINURSO, UNMIK, UNDOF and UNOCI) were not aware of cybersecurity penetration testing having been performed;
- ICT security policies at the organizational level are to be supplemented by local policies that factor in the specific local, social, physical and political environments in which a particular mission operates. However, UNIFIL, MINURSO, UNMIK, UNDOF and UNOCI did not have their own documented procedures to address cyberthreats, but relied on cyberemergency response procedures issued by the Office of Information and Communications Technology.

Recommendations

The main recommendations are that the Administration:

Budget formulation and financial management

(a) Intensify efforts to make the budget as realistic as possible by exercising greater vigilance and control over budget formulation, factoring in actual conditions and historical trends, and minimizing redeployments;

Asset management

(b) Strengthen asset management and monitoring practices in accordance with the directive for property management, improve acquisition planning by establishing a closer linkage between procurement and delivery of items and their deployment and ensure periodic physical verification of inventory and tracing of assets that are not found;

Strategic deployment stocks

(c) Strengthen the composition review process for strategic deployment stocks in consonance with field requirements and ensure regular rotation of items in the strategic deployment stocks;

Travel management

(d) Continue efforts to improve budget planning and control overexpenditure on travel and ensure strict enforcement of the policy on advance purchase of tickets;

Air transportation

(e) Complete the trend analysis of utilization of air assets by different missions to facilitate decisions for right-sizing the air fleet to ensure optimum utilization;

Underutilization of unmanned aerial vehicles

(f) Review its requirements for unmanned aerial vehicle systems in order to optimize their numbers and usage and assess whether costs can be reduced without compromising operations;

Procurement and contracting

(g) Strengthen oversight and internal controls in the area of procurement to ensure adherence to the stipulations in the Procurement Manual relating, in particular, to the evaluation of bids, the securing of valid performance securities and the application of provisions relating to liquidated damages to secure the interests of the United Nations;

(h) Ensure due coordination between sections dealing with procurement and contracting and the approving authorities to ensure timely processing of payments to take advantage of prompt payment discounts;

Global field support strategy

(i) Monitor mainstreaming activities through documented regular meetings of the established institutional mechanisms to ensure timely and effective risk mitigation and mid-course corrections and embed the approaches and tools identified for mainstreaming in the relevant standard operating procedures and manuals so that their benefits may be realized;

(j) Develop a cost-benefit analysis methodology, including benefits realization plans, that can be empirically verified to provide assurance regarding the benefits that have accrued or are expected to accrue as a result of the implementation of the global field support strategy;

Information and communications technology resources in peacekeeping operations

(k) Strengthen budgetary formulation and control mechanisms to reduce the variances between allocations and expenditure;

(l) Ensure an empirical and transparent procedure for the setting of ICT standards that defines operational requirements and is informed by market research and a cost-benefit analysis;

(m) Ensure that both the business continuity plans and disaster recovery plans are in place in all peacekeeping missions within a defined time frame, implement network intrusion detection and incident management software in all missions and conduct information security awareness programmes in all missions and departments.

Key facts	
15	Number of active peacekeeping missions
122	Number of troop- and police-contributing countries
1,772	Number of United Nations Volunteers in peacekeeping missions
13,095	Number of police personnel engaged in peacekeeping missions
17,197	Number of civilian staff in peacekeeping missions
92,561	Number of military personnel engaged in peacekeeping missions
$5.36 billion	Assets
$4.43 billion	Liabilities
$0.93 billion	Net assets
$8.77 billion	Revenue including assessed contributions of $8.50 billion
$8.57 billion	Approved budget for peacekeeping
$8.30 billion	Expenditure on peacekeeping operations (budget basis)
$0.27 billion	Unutilized budget

A. Mandate, scope and methodology

1. The Board of Auditors audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2014 to 30 June 2015 in accordance with General Assembly resolution 74 (1) of 1946. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations as well as the International Standards on Auditing.

2. The financial statements of the United Nations peacekeeping operations for the year ended 30 June 2015 are the second set of statements prepared after the adoption of IPSAS. The audit was conducted primarily to enable us to form an opinion as to whether the financial statements fairly presented the financial position of the United Nations peacekeeping operations as at 30 June 2015 and whether the

financial performance and cash flows for the year then ended were in accordance with IPSAS. This included an assessment of whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether the revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls and an examination of the accounting records and other supporting evidence to the extent considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its audit coverage at peacekeeping headquarters, the 15 active field missions, the 31 closed missions and the four special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, the United Nations Logistics Base, including the Global Service Centre, and the Employee Benefits Funds, as detailed in annex I to the present report.

4. In addition to the audit of the accounts and the financial statements, the Board carried out reviews of peacekeeping operations under financial regulation 7.5, which allows the Board to make observations with respect to the efficiency of financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the peacekeeping operations.

5. The Board continued to report the results of audits to the Administration through management letters and continues to present its observations on specific missions in annex III to the present report. The Board issued 20 management letters during the period under review.

6. The Board coordinated with OIOS in order to avoid unnecessary duplication and determine the extent to which the Board could rely on the work of OIOS.

7. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were communicated to the Administration and their views have been appropriately reflected in the report.

B. Main findings and recommendations

1. Follow-up of previous recommendations of the Board

8. The follow-up of the recommendations made by the Board during the previous four years is shown below:

Table II.1
Status of implementation of recommendations

Year	*Total*	*Fully implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
2010/11	40	18	22	–	–
2011/12	69	38	27	1	3
2012/13	49	25	17	–	7
2013/14	63	33[a]	25	2	3

Source: Reports of the Board of Auditors on United Nations peacekeeping operations.
Note: Figures represent the status of implementation of recommendations at the time of finalization of the report for the following year.
[a] Includes 15 recommendations that are reiterated in the current report.

9. Of the 63 recommendations made by the Board in 2013/14, the Board has assessed that 33 recommendations (52 per cent) have been implemented, 25 (40 per cent) are under implementation, 2 (3 per cent) have not been implemented and 3 (5 per cent) have been overtaken by events. However, the 33 recommendations shown as implemented include 15 recommendations (24 per cent of the total) that have been reiterated in the current report and hence closed in the previous report to avoid duplication. Those recommendations have yet to be fully implemented. If these are excluded, the rate of implementation falls to 28 per cent. The details of implementation of previous recommendations are set out in annex II.

10. The Board notes that a large percentage of the recommendations are under implementation. Many of the recommendations require systemic actions for compliance and may therefore require a longer time frame for implementation. However, the Board recalls that the General Assembly, in its resolution 69/249 B, requested the Secretary-General to ensure the full implementation of the recommendations of the Board of Auditors in a prompt and timely manner and to provide a full explanation for the delays in the implementation of all outstanding recommendations of the Board, the root causes of the recurring issues and the measures to be taken.

2. Financial overview

11. The approved peacekeeping budget for the financial year 2014/15 was $8.57 billion, which represented an increase of 8.6 per cent compared with the previous year's budget of $7.89 billion. Expenditure increased by 9.1 per cent in 2014/15 to $8.30 billion from $7.61 billion in 2013/14. An amount of $0.27 billion was unutilized.

Trend of expenditure

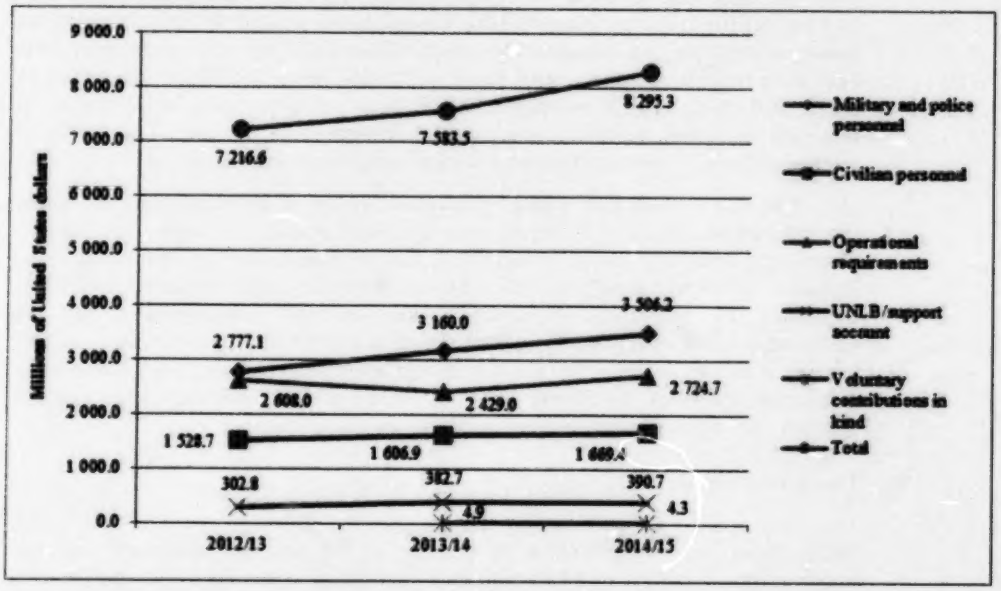
12. The details of the expenditure incurred under the three budget groups, UNLB and the support account during the three years ended 30 June 2014 are shown in table II.2, and the trend of expenditure is depicted in figure II.I.

Table II.2
Expenditure of peacekeeping operations by group
(Millions of United States dollars)

Group	*2012/13*	*2013/14*	*2014/15*
Military and police personnel	2 777.1	3 160.0	3 506.2
Civilian personnel	1 528.7	1 606.9	1 669.4
Operational requirements	2 608.0	2 429.0	2 724.7
UNLB/support account	302.8	382.7	390.7
Voluntary contributions in kind	–	4.9	4.3
Total	**7 216.6**	**7 583.5**	**8 295.3**

Source: Financial statements of peacekeeping operations.

Figure II.I
Trend of expenditure



Financial position

13. The financial position of peacekeeping operations continues to be sound, with sufficient cash resources to sustain core operations. Current assets are marginally higher than current liabilities, whereas total assets are 1.21 times total liabilities, as shown in table II.3. The increasing trend of the current ratio, quick ratio and cash ratio over three years indicates improvement in liquidity. However, the total-assets-to-total-liabilities ratio shows a decreasing trend over the past three years, indicating a slightly decreased ability to meet obligations.

Table II.3
Financial ratios

Ratios	*30 June 2013*	*30 June 2014*	*1 July 2013*
Total assets: total liabilities[a]	1.21	1.25	1.33
Current ratio[b]			
Current assets: current liabilities	1.09	0.97	0.97
Quick ratio[c]			
(Cash + short-term investments + accounts receivable: current liabilities)	0.96	0.80	0.79
Cash ratio[d]			
(Cash + short-term investments: current liabilities)	0.56	0.51	0.41

Source: Financial statements of peacekeeping operations.

[a] A high ratio is a good indicator of ability to meet obligations.

[b] A high ratio indicates an entity's ability to pay off its current liabilities.

[c] The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

[d] The cash ratio is an indicator of an entity's liquidity; it measures the amount of cash, cash equivalents or invested funds that are in current assets to cover current liabilities.

Implementation of the International Public Sector Accounting Standards

14. The Board noted that the Administration had strengthened the systems and processes for preparation of financial statements of peacekeeping operations, which resulted in greater accuracy and a reduction in the number of errors requiring rectification. However, there remained room for further improvement. For instance, the Board found that credit to Member States of $477.37 million was presented in the statement of changes in net assets instead of in the statement of financial performance. This was rectified by the Administration, which resulted in revision of the surplus for both the current year and the previous year. The Administration thus needs to continue its efforts to strengthen IPSAS-based accounting processes and train the staff at missions for this purpose.

15. Paragraph 67 of IPSAS 17: Property, plant and equipment, states that the residual value and the useful life of an asset shall be reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IPSAS 3: Accounting policies, changes in accounting estimates and errors. The Board had recommended in its previous report (A/69/5 (Vol. II), chap. II) that the Administration review the useful lives of assets. The Administration informed the Board that such a review would be conducted during 2015/16 at the time when assets records from Galileo were migrated to Umoja.

16. The Board further reviewed the assets in various missions and noted instances of fully depreciated assets that were still in use, as shown in table II.4.

Table II.4
Details of fully depreciated assets still in use

	Assets fully depreciated but still in use	
Mission	*Number*	*Gross carrying amount (millions of United States dollars)*
UNMIL	906	46.7
MINURSO	441	10.9
UNFICYP	415	9.0
UNFIL	2 238	68.7
UNMIK	259	6.1

Source: Compiled from data provided by mission management.

17. The presence of fully depreciated assets in the asset register indicates that both asset net book values and the amount recognized for the depreciation expense in the year were understated. The Administration stated that the process of write-off of those assets was under way and would be completed during the coming financial periods upon delivery of their replacements.

18. **The Board reiterates its recommendation that the Administration review the useful lives of fully depreciated assets that are still in use, as required by IPSAS.**

19. The Administration stated that it planned to review the policy on the useful lives of fully depreciated assets. Since Umoja had a robust fixed-asset management platform that would enable such analyses, the revision of useful lives of fully depreciated assets would be done after Umoja was fully deployed.

3. Budget formulation and management

20. The Board had stressed in its previous reports that the Administration should review the identified weaknesses in budget formulation and develop improved principles and methodologies to assist the missions in formulating realistic, consistent and reliable budgets. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted large variances between appropriations and expenditure, redeployments between different classes of expenditure beyond that which could be justified by operational requirements and unrealistic assumptions used for budget projections that undermined the utility of the budget as an instrument of expenditure control. The Secretary-General, in his report on the implementation of the recommendations of the Board (A/69/781), had requested closure of the recommendation, stating that budgets were based on the best available information at the time of their preparation, well in advance of the budget implementation period, that it was normal for variances to occur between the approved budget and its actual implementation and that redeployments between groups and classes of expenditure were an essential feature of allotment management to provide missions with the required flexibility to deliver on their mandates. In its resolution 69/249 B, the General Assembly had expressed concern at the continued weaknesses in the area of budget formulation and implementation and requested the Secretary-General to continue his efforts to address those weaknesses.

21. The Board reviewed the expenditure incurred against the budget and found that the same weaknesses as those reported in previous years persisted, as detailed below.

Variances between appropriation and expenditure

22. Peacekeeping operations incurred expenditure of $8.30 billion against the approved budget of $8.57 billion, resulting in underexpenditure of 0.27 billion (3.26 per cent). The underexpenditure varied between 0.56 and 8.31 per cent in all the 15 missions. Six missions (UNFICYP, UNMIK, UNOCI, UNAMID, UNMISS and MINUSTAH) had variances of 5 per cent or above.

23. There are three groups of expenditure, namely, military and police personnel costs, civilian personnel costs and operational requirements. Under military and police personnel costs, three missions (UNMIK, MINURSO and UNMISS) had variances of over 5 per cent. Under civilian personnel costs, five missions (UNFICYP, UNOCI, UNMIK, MINUSTAH and MINURSO) and the Global Service Centre had variances of over 5 per cent. Under operational requirements, six missions (UNAMID, UNFICYP, UNOCI, UNISFA, MINUSTAH and UNMIL) had variances of over 5 per cent (13 per cent in the case of UNAMID).

24. The Board also noted significant variances in the classes and subclasses of expenditure at eight missions and the Global Service Centre, as follows:

(a) MINUSCA:

(i) Expenditure of $7.75 million was incurred without appropriation in seven classes and 14 subclasses. The largest such expenditure was for acquisition of marine vessels ($3.7 million) under naval transportation and maintenance and repair of equipment ($2.52 million) under information technology;

(ii) Expenditure in excess of appropriation, amounting to $113.24 million, was incurred in 14 classes of expenditure and 43 subclasses. The excess went up to 1,666 per cent (for subscriptions under communications);

(iii) Expenditure which was less than the appropriation, amounting to $139.10 million, was noticed in 17 classes and 64 subclasses, with major items of underexpenditure being under facilities and infrastructure for alteration and renovation services ($25.89 million) and petrol, oil and lubricants ($22.25 million), which worked out to underutilization of 81 per cent and 66 per cent, respectively;

(b) UNISFA: there was a variance of 5 per cent or more in 81 of the 106 subclasses. Of these, 42 subclasses had a variance of more than 50 per cent compared with the budget. Furthermore, five subclasses had expenditure without appropriation;

(c) Global Service Centre: of the 61 subclasses of expenditure, 57 (93 per cent) had a variance of more than 5 per cent compared with the budget. Of these, 22 subclasses (38 per cent) had a variance of more than 50 per cent. There were 11 subclasses with underexpenditure of over 50 per cent compared with the budget and 11 subclasses with excess expenditure of more than 50 per cent compared with the budget;

(d) MINUSMA: there were variances of up to 486 per cent in 19 classes of expenditure. The variances ranged from 0 to 5 per cent in four classes of

expenditure, from 5 to 25 per cent in seven classes, from 25 to 50 per cent in two classes and over 50 per cent in six classes. The largest variances were under naval transportation (486 per cent), consultants (276 per cent) and general temporary assistance (81 per cent);

(e) UNMISS: the variations in some subclasses of expenditure under operational costs ranged from 231 per cent for acquisition of equipment to 1,608 per cent for maintenance and repair of equipment;

(f) UNAMID:

(i) There were 17 subclasses for which the expenditure exceeded the appropriated amount by more than 25 per cent. The variance under official travel-non-training was 54 per cent (expenditure of $5.02 million against the budget of $3.25 million);

(ii) In 19 subclasses, expenditure incurred was less than 50 per cent of the appropriated amount. The variances ranged from 51 per cent to 99 per cent;

(iii) Under operational costs, there was underexpenditure in classes such as air transportation (38 per cent), facilities and infrastructure (20 per cent), communications (34 per cent), ground transportation (22 per cent), information technology (16 per cent), medical (10 per cent) and other supplies, services and equipment (12 per cent). There was underexpenditure under air transportation for three consecutive years (7 per cent in 2012/13, 20 per cent in 2013/14 and 37 per cent in 2014/15);

(iv) There was underexpenditure of 34 per cent under communications, within which the largest underexpenditures were under spare parts (82 per cent) and public information services (72 per cent). In spite of the fact that communications had had underexpenditure for three years, since 2012/13, the budget appropriation was increased in 2013/14 and 2014/15. The underexpenditure in 2014/15 could have been avoided had the Mission taken historical trends of expenditure into consideration. The percentage of underexpenditure has also increased over the years (6 per cent in 2012/13, 29 per cent in 2013/14 and 34 per cent in 2014/15);

(g) UNFICYP: there was underexpenditure of 8 per cent in 2014/15 compared with the total appropriation of $63.6 million. This included variances of 14 per cent in civilian personnel costs and 11 per cent in operational requirements;

(h) UNMIK: there was underexpenditure of 7 per cent compared with the total appropriated budget of $46.3 million. This included a variance of 34 per cent under military and police personnel and 9 per cent under civilian personnel;

(i) UNOCI: there were large variances of 12 per cent under civilian personnel and 8 per cent under operational requirements. The variances were attributed to closure of the Rule of Law Section following the adoption by the Security Council of resolution 2162 (2014) in June 2014 and the drawdown of certain troop divisions and the fact that the actual vacancy rate was higher than budgeted (the budgeted rate for international staff was 10 per cent, but the actual average was 18 per cent).

25. The Administration stated that the 1,666 per cent excess was related to MINUSCA, which was a start-up mission in a difficult environment. It added that

some of the variances could be attributed to the difference between the general ledger account codes/object codes and the Umoja classification codes as reported by some missions. Most of the discrepancies were expected to be resolved by the end of the 2016/17 financial period.

26. The Board recognizes that there may inevitably be some variances between appropriations and expenditure when circumstances that were not foreseeable at the time of budget formulation arise during the period of budget implementation. However, the extent of variances across missions, ranging from 5 per cent to a maximum of 1,666 per cent, and the classes or subclasses of expenditure under which they occurred, for example, maintenance and repair of information technology equipment, communications, consultants and supplies, services and equipment, indicate poor assessment and forecasting, as well as weak budgetary control, and not unforeseeable circumstances.

Redeployments between different classes of expenditure

27. The Board had observed in its previous report that redeployments were being routinely carried out and had recommended that redeployments be permitted only with full justification. The total amount of redeployment for the year 2014/15 was $291.36 million (3.4 per cent of the original budget), which is marginally lower than the amount of $312.82 million (3.9 per cent) in 2013/14. The Board noted the following:

(a) MINUSCA: 21 redeployments were executed, involving an amount of $40.53 million, which constituted 6 per cent of the total appropriation for the year. The procedure for seeking approval for redeployments requires that justification for the proposed redeployment be clearly indicated, since the budget is based on the results-based-budgeting framework. However, the only reason provided was a requirement for funds in the areas to which they were redeployed. There were no reasons recorded as to why the funds could not have been provided for earlier in the budgeting process, nor was there an indication of the impact of such redeployments on the areas from which the funds were redeployed. The Board noted that there were many classes of expenditure in which funds remained unutilized, even after redeployments were made to those classes of expenditure. For example, $5.81 million remained unutilized under facilities and infrastructure, $2.56 million under ground transportation, $3.04 million under communications and $1.80 million under medical, despite the fact that redeployments were made from other groups and classes of budget to those classes of expenditure;

(b) MINUSMA: the mission made 330 redeployments for a total amount of $58.73 million, which represented over 6 per cent of the budget;

(c) UNISFA: there were 27 redeployments, of which 2 were between groups, 19 were between classes of expenditure and 6 were within classes of expenditure. Of the redeployed amount of $18.02 million, an amount of $12.90 million (72 per cent) pertained to the last two months of the financial period, namely, May and June 2015. Furthermore, $8.69 million was redeployed to facilities and infrastructure, under operational requirements, thereby increasing its budget from $45.28 million to $53.97 million. However, the actual expenditure incurred was only $19.54 million (36 per cent), while $29.90 million was obligated as commitments as at 30 June 2015. The balance of $4.54 million was unutilized;

(d) MONUSCO: there were unspent balances in six classes totalling $9.3 million (46 per cent of the total redeployed amount), which remained unutilized in spite of being redeployed from other classes;

(e) UNSOA: there were 59 budget redeployments involving $62.8 million (13 per cent) during 2014/15, compared with 73 redeployments amounting to $41.7 million (10 per cent) during 2013/14.

28. The Administration stated that redeployments across groups and classes were an essential feature of allotment management to provide missions with the required flexibility to deliver on their mandates. It added that missions had implemented measures to ensure that justifications were completed, which included providing reasons for the availability of the funds in the releasing group and greater details on the purpose for the movement of the funds.

29. The Board considers that frequent high-value redeployments indicate deficiencies in budget formulation and management and undermine the utility of the budget as a tool for expenditure control. The justification for redeployments is even less convincing when the amounts redeployed under a particular expenditure class or subclass remain unutilized at the end of the year. Such redeployments constitute a deviation from the approved budget appropriations and undermine budgetary control over expenditure. The Board noted that overall redeployed amount was $291.36 million during 2014/15, whereas the unutilized budget during this period was $279.44 million, which indicates that the peacekeeping operations were not able to utilize their entire budgets despite making multiple redeployments.

Unrealistic assumptions used for budget projections

30. The Board examined the assumptions used in the budget formulation vis-à-vis the actual expenditure and observed that assumptions that had led to overestimations in the previous year continued to exist in the current year. The Board's findings in different missions are as follows:

(a) UNISFA:

(i) The authorized strength of military observers for the period 2014/15 was 225, while the number of observers at the mission, even in the month of June 2015, was 116 (an actual vacancy rate of 48 per cent). While formulating the budget, a vacancy factor of only 30 per cent was used. Similarly, in the case of military contingents, a vacancy factor of 10 per cent was taken into account, while the vacancy rate was 18 per cent, even as at 30 June 2015;

(ii) There was underexpenditure for petrol, oil and lubricants under facilities and infrastructure ($3.30 million), ground transportation ($2.88 million) and aviation ($5.13 million) in the year 2014/15;

(iii) The Administration stated that the overestimations with respect to vacancy rates and fuel were due to the assumption that the joint border vigilance and monitoring mechanism would be fully operational as from July 2014. The Board noted that this was the justification that had been put forth by Administration in the previous financial year in response to the variances highlighted by the Board and it could reasonably be expected that a more realistic assessment would be available as to the schedule of deployments for formulating the next budget. However, the mission did not take into account

the historical trend of savings or expenditure, actual vacancy rates and factors affecting consumption of fuel when formulating budgetary assumptions, and this resulted in the overestimation of the budgeted provisions;

(b) UNMIL: the budget consisted of 125 items, of which 92 items (74 per cent) had variances of above 10 per cent compared with the budgeted amounts. The estimates used in budget formulation with respect to 14 budget class items ($5.34 million) were unrealistic as noted below:

(i) The budget for travel emplacement, rotation and repatriation for the formed police unit was increased by 54 per cent in 2014/15 compared with 2013/14. The overbudgeted amount was based on the assumption that the cost per round-trip movement per person would increase;

(ii) Under air transportation, air crew subsistence allowance and rental and operation, the amounts for fixed-wing aircraft were reduced from $9.10 million to $5.50 million, although the Mission planned to maintain the same level of aircraft operations (5 aircraft);

(iii) There was no budgetary provision for international staff salaries under general temporary assistance during the current and the preceding year, although there were expenditures for the item in both periods;

(c) UNSOA: a review of the costing sheet for naval transportation and the actual fuel consumption report for four consecutive years (2011/12 to 2014/15) showed significant variances between the budgeted and actual fuel consumption ranging from 67 to 94 per cent. The mission had assumed that the boats would be in operation for all 365 days of the year. This assumption was not realistic because the actual days the five boats were in operation averaged only 42 days and there was consequently an overestimation of fuel amounting to 85,723 litres.

(d) UNIFIL:

(i) The standard assumption used for the original national staff budget was based on an average salary based on staff being halfway through the steps for their grade. That assumption was not accurate, as staff had generally been in their posts for a number of years and there were relatively few new recruits owing to the freeze on recruitment. As a result, most staff were at higher steps in their grade;

(ii) The average vacancy rate of 17 per cent for National Professional Officers and 7 per cent for national General Service staff was higher than the budgeted vacancy factor of 10 per cent for National Professional Officers and 5 per cent for national General Service staff;

(e) MONUSCO:

(i) The Manual on Surface Transport Management in the Field states that freight costs for acquisition of vehicles and generators are to be assessed at 15 per cent of the procurement value. The Mission applied a 20 per cent rate rather than a fixed rate of 15 per cent on the acquisition costs for generators;

(ii) The Mission had an appropriation of $14.88 million and expenditure of $11.93 million for other freight and related costs, leaving an unspent balance of $2.95 million (20 per cent). The unspent balance was due mainly to the use of inappropriate percentages for budgeting.

31. The Board observed that the overestimations and underestimations highlighted above were mainly attributable to failure to take cognizance of historical trends, even when they had been specifically highlighted by the Board in its previous reports.

32. The Administration stated that the budget steering committees and substeering committees in the field missions were providing critical evaluation of expenditure trends and advice to senior management to make more realistic and justifiable budget estimates.

33. **The Board reiterates its recommendations made in its previous report that (a) efforts be intensified to make the budget as realistic as possible by exercising greater vigilance and control over budget formulations factoring in actual conditions and historical trends; and (b) redeployments be minimized and that they be permitted only with full justification detailing the change in priorities or circumstances that could not have been anticipated.**

34. The Administration stated that it would continue to work towards the intent of the recommendation through refined costing requirements, realistic planning assumptions and improvements in budgetary control, with constant monitoring of budget utilization throughout the financial year.

4. Asset management

35. Efficient management of assets[1] is critical for efficient and cost-effective delivery of services and fulfilment of the mandate of any peacekeeping mission. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted delays in writing off assets and delays in disposal of written-off assets, prolonged retention of items in stock without deployment and deficiencies in physical verification and had recommended strengthening asset management procedures and judicious deployment of assets and timely disposal of equipment that was no longer in use. In his report (A/69/781), the Secretary-General had outlined the efforts that were being made to improve asset management. In its resolution 69/249 B, the General Assembly had expressed concern at continuing weaknesses in, inter alia, asset management and had requested the Secretary-General to continue his efforts to address those weaknesses as a matter of priority taking into account the observations and recommendations of the Board.

36. The Administration informed the Board that it had issued a directive on property management in February 2015 to make full use of material resources and avoid loss, wastage, obsolescence, deterioration and unwarranted accumulation of property.

Assets awaiting deployment

37. The directive on property management requires that assets be put to use immediately after their entry into inventory, with the exception of reserve and safety

[1] Assets comprise non-expendable and expendable property, as well as land and buildings. Non-expendable property above the IPSAS threshold limit (as listed in para. 39 (i) of the notes to the financial statements) is recognized as property, plant and equipment in the financial statements. Non-expendable property below the threshold is expensed. However, strategic deployment stock equipment below the IPSAS capitalization threshold is included in inventory. Expendable property is expensed, except strategic reserves of fuel or specific commodities and United Nations reserves, which are included in the inventory.

stock items. The workplan on property management defines "ageing stock" as items held in stock for a period of more than six months. The Board found that assets valued at $37.79 million were awaiting deployment for periods longer than six months as shown in table II.5.

Table II.5
Assets awaiting deployment for more than six months

Mission	*Number of items*	*Purchase cost (millions of United States dollars)*
UNISFA	710	2.26
MINUSMA	164	2.20
MINUSCA	3 411	12.29
UNMISS	1 149	11.30
UNMIL	165	5.24
UNIFIL	457	4.50

Source: Compiled from data provided by management.

38. In UNMISS, 929 items, valued at $4.51 million, were carried in stock by the Geospatial Information and Telecommunications Technologies Section for periods ranging from more than six months to three years without being put to use. These included items such as transreceivers, satellite phones, computers and UHF hand-held tetra and satellite earth stations. In MINUSCA, 74 per cent of the items, valued at $6.16 million, related to ICT equipment.

39. The Administration stated that the supply chain of missions was subject to uncertainties and delays owing to area-specific factors. This, combined with lengthy procurement lead times, has a direct impact on the efficiency of inventory and asset management and results in some instances of overstocking, spikes in inventory holdings and delayed asset utilization. Nevertheless, the Administration was strengthening its asset management practices linked to acquisition planning and procurement to maximize asset utilization.

40. The Board observes that there is a need for a closer linkage among acquisition planning, procurement of equipment and deployment of equipment. The fact that there was a large number of items that had yet to be deployed casts doubt regarding the timing and necessity of the procurement, and there exists a high probability that those items may not be used before the expiry of their usable life.

Assets withdrawn from use

41. There were 12,890 items, valued at $110.51 million, which were withdrawn from use over a period of 12 months. Of these, 992 items, valued at $7.73 million, were reported to be in bad condition and 1,905 items, valued at $18.31 million, were reported under write-offs. The reasons for the withdrawal from use for the remaining items, valued at approximately $84 million, were not indicated. The total number of items not in use for a period of 12 months increased by 3 per cent to 13,236 items, with a value of $112.60 million, at the end of the fourth quarter of 2014/15, including 11,898 items, valued at $95 million, for which no explanations were provided for their withdrawal from use.

42. The Administration stated that the phrase "withdrawn from use" encompassed items in stock that were either newly purchased or previously used by or transferred from other missions for which there has been no recent transaction (issuance or return to stock) for a period greater than 12 months. The increases or decreases in the total number of items withdrawn from use for a period of over 12 months from one year to another were, in many instances, attributable to "peacekeeping operations scope fluctuations". Nevertheless, the Administration would continue to monitor the status of asset utilization on a mission-by-mission basis and would urge missions to improve the management of non-expendable property, taking into account mission-specific factors.

43. While the Board acknowledges the challenges that are often faced by peacekeeping missions, the increase in the items withdrawn from use during the year and the total amounts involved point to the need for enhanced review of items in stock to both ensure utilization of items procured and to guard against unnecessary or wasteful procurement.

Assets having exceeded their life expectancy

44. In accordance with the property management performance target, items that have exceeded their life expectancy should be 0 per cent of the total, with a tolerance limit of 10 per cent. The Board noted that of a total of 71,038 assets, 9,550 (13 per cent), valued at $14.71 million, had been transferred to missions after the completion of their life expectancy, while 5,720 items, valued at $8.86 million, had been transferred to missions with less than one year of useful life remaining. Furthermore, of the total of 56,366 items in unit stock, 7,810 items (14 per cent), valued at $11.2 million, had exceeded their life expectancy while lying unused in stock.

45. While examining the assets records at the missions, the Board noted that UNISFA had 289 assets (18 per cent), valued at $1.78 million, that had exceeded their life expectancy, including 214 ICT assets, with a value of $1.02 million, while in MINURSO 12 per cent of the assets, with a value of $0.26 million, and in UNIFIL, 27 per cent of the assets, with a value of $1.6 million, had exceeded their life expectancy. In UNMIL, UNMIK and UNFICYP, the percentages of inventory that had exceeded life expectancy were 46, 42 and 18 per cent of the total, respectively.

46. The Administration stated that in view of financial constraints and as part of budget planning, missions were advised to explore possibilities for delaying equipment replacement programmes when it did not compromise the safety of staff and was cost-effective. If a number of assets were found to be in good condition at the end of their prescribed life expectancy, the Administration may revise the prescribed life expectancy for each class of assets after a thorough examination. The missions had been reminded to make full use of material resources and ensure that assets are put to use right after entry into inventory, with the exception of reserve and safety stock items.

47. The Board notes that retention of assets that may have exceeded their manufacturer's stipulated technical life runs the risk that equipment will have to operate with degraded or outdated capabilities, thereby compromising operational effectiveness. The Board also observes that the financial statements relating to peacekeeping indicate an unutilized balance of $0.27 billion, and the issue, therefore, appears to be a matter of optimal utilization and deployment of resources rather than of financial constraints.

Write-off and disposal of assets

48. The key performance indicator for the completion of the write-off process with respect to property, plant and equipment stipulates a target of 90 days, with a tolerance of 30 days. The key performance indicator for disposal of written-off items by commercial sale stipulates a target of 180 days, with a 30-day tolerance period.

49. A total of 23,176 items were written off and 22,212 items were disposed of during 2014/15. There were 8,542 items awaiting disposal as at 30 June 2015. This represented a slight increase from the figure of 7,578 items pending disposal as at 1 July 2014. While the average time taken to write off assets during 2014/15 was 83 days and the average time for disposal was 111 days, which is within the prescribed parameters, 4,363 items of the 23,176 items written off during the year (18 per cent) were written off beyond the prescribed timelines, and 6,607 items (30 per cent) of the 22,212 items disposed of during the year were disposed of beyond the prescribed timelines.

50. The Administration stated that it would continue to monitor the performance of various missions involved in the write-off and disposal processes, identify bottlenecks and undertake measures for expeditious processing of the write-off cases in order to reduce the backlog.

51. While acknowledging the efforts made by the Administration, which have resulted in significant improvements in terms of reductions in delays in both write-off and disposal processes, the Board noted that there remained considerable scope for further improvement.

Physical verification

52. The property control and inventory units in field missions are concerned with the property control, inspection and reporting of non-expendable items and submission of reports to United Nations Headquarters. Physical verification of non-expendable property is to be conducted at regular intervals at least once per fiscal year in order to ensure control over inventory. The Board noted that items valued at $4.57 million were not found during physical verification in three field missions as follows:

(a) MINUSCA: the Property Control and Inventory Unit stated that it had conducted physical inspection of the inventory for the year ended 30 June 2015; however, no documentation of such physical verification was produced. The Board conducted a joint inspection along with mission management and noted missing items, both expendable and non-expendable, valued at $1.29 million out of $2.16 million checked;

(b) MINUSMA: the physical verification report showed that 227 items, valued at $1.19 million, had not been located. The Mission stated that most of the items were in transit during the conduct of the physical verification;

(c) UNAMID: the Property Control and Inventory Unit, in its inspection on 7 April 2015, could not locate 438 items, valued at $2.09 million. The Property Management Section had referred 32 cases for investigation to the Special Investigating Unit as at the date of completion of the audit. The Special Investigating Unit had completed the investigation of 10 cases, while in 7 cases the depreciated value of lost items was below the threshold value of $500 and hence investigation was not done. Fifteen cases were pending investigation.

53. The Board recalls that in its previous report, it had highlighted items valued at $3.17 million that could not be located in four missions, and the Administration had stated that missions were being reminded to step up the process of physical verification and to reconcile discrepancies in the reports. There did not appear to be any significant improvement in the position.

Discrepancies in tracking non-expendable and expendable properties

54. Effective asset management presupposes accurate and timely recording of entry and exit of assets in inventory. The Board noted discrepancies in record-keeping of non-expendable items. For example, 382 items, valued at $5.55 million, were shown as received in the mission before their receipt in the United Nations, which was attributed to a discrepancy associated with data migration from the previous field assets control system to Galileo in 2003/04.

55. In MINURSO, the Board noted instances in which requests for expendable items that had been issued were not updated in Galileo, which meant that Galileo recorded higher stock levels than were actually available in the warehouse.

56. The Board observed that the reliability of the data had yet to be fully established in some missions and at the Headquarters level, indicating a need for intensification of ongoing efforts and regular, effective monitoring.

57. The Administration stated that it had initiated a project for decommissioning Galileo and rolling out an improved materials management solution in Umoja Extension 2.

58. **The Board reiterates its earlier recommendations that the Administration: (a) strengthen asset management and monitoring practices in accordance with the directive for property management; (b) improve acquisition planning by establishing a closer linkage between actual procurement and delivery of items and their actual requirement and deployment; (c) ensure periodic physical verification of inventory and timely tracing of assets that are not found; and (d) enhance the database relating to movement and usage of stock for more accurate decision-making and assessments.**

59. The Administration agreed that there was a need for a closer linkage among acquisition planning, procurement of equipment and deployment of equipment. It stated that the budget, acquisition, procurement and delivery business processes for global United Nations systems contracts were being rationalized using the supply chain operations model and that the rationalization was expected to be completed in 2017.

Strategic deployment stocks

60. Strategic deployment stocks were set up in 2002 to facilitate quick start-up of new missions and to ensure operational capability to deploy traditional[2] peacekeeping operations within 30 days of the adoption of the requisite resolution by the Security Council and complex[3] peacekeeping operations within 90 days. The

[2] A traditional mission is one that has a troop strength of 5,000 (with 50 per cent self-sustainability), 175 international staff, 200 military observers, 100 civilian police and 300 local staff.

[3] A complex mission is one that has a troop strength of 10,000 (with 50 per cent self-sustainability), 375 international staff, 500 military observers, 500 civilian police and 575 local staff.

fulfilment of the objective of the establishment of strategic deployment stocks involves timely procurement of the items required to enable quick start-up and deployment of peacekeeping missions, as well as turnover of stocks to ensure that items remain contemporary and to avoid obsolescence. As at 30 June 2015, there were 3,780 items valued at $48.17 million (purchase cost) in the strategic deployment stocks inventory,[4] which represented decreases of 35 per cent and 27 per cent in the number and value, respectively, of inventory compared with the previous year, when there were 5,812 items, with a purchase cost of $66.14 million.

61. The Board noted the following:

(a) Of the 3,780 items in stock as at 30 June 2015, 3,189 items, valued at $41.02 million, constituted strategic deployment stocks holdings that were meant for future deployment. The age profile of strategic deployment stocks holdings as at 30 June 2014 and 30 June 2015 is shown in table II.6.

Table II.6
Age profile of strategic deployment stocks holdings

	As at 30 June 2014		*As at 30 June 2015*	
Age	*Number of items*	*Cost (Millions of United States dollars)*	*Number of items*	*Cost (Millions of United States dollars)*
Less than 1 year	–	–	1 437	20.34
1-2 years	1 209[a]	12.33[a]	685	8.99
2-3 years	235	1.57	38	0.80
3-4 years	40	0.57	26	0.41
More than 4 years	1 393	13.18	1 003	10.48
Total	2 877	27.65	3 189	41.02

Source: Global Service Centre.
[a] Includes items less than one year old.

Thus, 55 per cent of items in strategic deployment holdings as at 30 June 2015 were more than a year old. These items included ICT equipment, valued at $3.37 million, which was prone to obsolescence, as well as items such as generator sets, hospital equipment, water pumps, soft water storage equipment, sea containers, furniture and fixtures and security and surveillance equipment that were at risk of reaching the end of their usable life before utilization. Nearly 28 per cent of the total strategic deployment stocks in terms of cost was unutilized for more than two years after procurement;

(b) As a result of a composition review undertaken in 2014/15, 322 line items, valued at approximately $9.1 million, were removed from the strategic deployment stocks. However, those items continued in stock awaiting further action to declare them technically obsolete/suitable for disposal. As assessed by management, about 70 per cent of those items ($7 million) had been proposed for write-off and the remaining 30 per cent could be deployed at missions if they were

[4] Strategic deployment stocks inventory includes strategic deployment stocks holdings and items pending write-off, in receipt and inspection, shipped (but not yet received at destination), transferred out and delivered but not yet codified. Strategic deployment stocks holdings are items in stock that are ready for future deployment.

not found to be technically obsolete. Having such a high proportion of items to be written off detracts from the objective of the strategic deployment stocks of stocking adequate numbers of items that may be required for rapid deployment;

(c) 579 items, valued at $4.37 million, had exceeded their life expectancy. The Board also noted that MINUSMA and MINUSCA had received 318 ICT assets (at a purchase value of $3 million) from strategic deployment stocks that had already exceeded their life expectancy on the date of receipt in the respective missions.

62. The Administration stated that the items in strategic deployment stocks were to be held and maintained as new for rapid deployment and emergency response purposes and that, accordingly, the nominal useful life and life expectancy did not apply except in cases of obsolescence.

63. While the Board acknowledges that equipment may have usable life beyond the manufacturer-stipulated technical life, its usability and effectiveness, particularly in the adverse environmental conditions often prevalent in peacekeeping operations, may be degraded. It is therefore important to set norms for turnover of items in strategic deployment stocks. Moreover, missions may not consider usable the items that they received from strategic deployment stocks that had exceeded their life expectancy. For instance, while projecting requirements for the 2014/15 budget, MINUSMA had actually sought fund allocation to replace obsolete items received from strategic deployment stocks.

64. The Administration stated that the Global Service Centre had already developed and revised the strategic deployment stocks composition review process in 2013, and a rotation policy was in place whereby missions were required to obtain clearance from the Global Service Centre prior to entering into any sourcing activity.

65. The Board noted that its findings relating to the age profile of strategic deployment stocks holdings, the quantity of items proposed to be written off and items in strategic deployment stocks that had exceeded their life expectancy pointed to the need to ensure more effective review and rotation of strategic deployment stocks. The Board recalled that in paragraphs 322 and 323 of its previous report (A/69/5 (Vol. II), chap. II), it had highlighted that a test check carried out at three field missions had revealed that the policy on centralized management of mission assets was not being fully adhered to. The Board observes that while policies may be in place, their implementation needs to be strengthened.

66. The Board recommends that the Administration strengthen the composition review process for strategic deployment stocks in consonance with field requirements and ensure that items in strategic deployment stocks are regularly rotated.

5. Travel management

67. In August 2014, the Advisory Committee on Administrative and Budgetary Questions had requested the Board to conduct a comprehensive audit of official travel financed from the peacekeeping budgets. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted expenditure exceeding the approved budget by 25 per cent, extensive non-compliance with the policy on advance purchase of tickets and non-recovery of travel advances from staff members. The Secretary-General, in his report on implementation of the recommendations of the Board (A/69/781), had concurred with the Board's recommendations regarding the

need to optimize travel expenditure and to review the reasons for non-compliance with the policy on advance purchase of tickets to identify areas of improvement.

68. The expenditure on official travel in 2012/13 and 2014/15 is shown in table II.7.

Table II.7
Expenditure on official travel

Year	*Total expenditure on peacekeeping*	*Expenditure on official travel (millions of United States dollars)*	*Expenditure on official travel as a percentage of total expenditure (percentage)*
2011/12	7 544.24	46.42	0.62
2012/13	7 273.15	51.05	0.70
2013/14	7 614.89	65.55	0.86
2014/15	8 295.32	63.04	0.76

Source: Data provided by Management/Financial Statements.

69. A mission-by-mission variance analysis of expenditure on official travel, including for the support account, for 2013/14 is provided in table II.8.

Table II.8
Expenditure on official travel during 2014/15 by mission
(Millions of United States dollars)

Mission	*Appropriation*	*Expenditure*	*Variance*	
			Amount	*Percentage*
UNFICYP	0.276	0.275	0.001	0.36
UNDOF	0.897	0.935	-0.038	-4.24
UNIFIL	1.144	1.033	0.111	9.70
MINURSO	0.716	0.585	0.131	18.30
UNMIK	0.401	0.428	-0.027	-6.73
MONUSCO	9.552	9.505	0.047	0.49
UNMIL	2.062	1.627	0.435	21.10
UNOCI	3.662	3.367	0.295	8.06
MINUSTAH	4.689	2.766	1.923	41.01
UNAMID	7.261	6.641	0.620	8.54
UNISFA	1.336	1.219	0.117	8.76
UNMISS	8.307	7.993	0.314	3.78
UNSOA	3.909	4.458	-0.549	-14.04
MINUSCA	6.231	6.252	-0.021	-0.34
MINUSMA	5.699	5.659	0.040	0.70
Support activities				
Support account	10.433	9.238	1.195	11.45
UNLB (Global Service Centre)	1.000	1.057	-0.057	-5.70
Total	**67.575**	**63.038**	**4.537**	**6.71**

Source: Financial statements of the peacekeeping operations for 2014/15.

70. The Board notes that the General Assembly had approved an amount of $55.34 million for official travel (see A/C.5/69/17) from the peacekeeping budget. The budget appropriation was increased to $67.58 million through redeployments of $12.24 million from other categories of expenditure, with the highest redeployments being in MINUSCA, MINUSMA, UNAMID and UNMISS. Hence, while the total expenditure of $63.04 million represented a decrease of about 4 per cent compared with 2013/14, it was still in excess of the initially appropriated amount.

71. Furthermore, against the final appropriation, two missions (UNMIK and UNSOA) and the Global Service Centre incurred excess expenditure of over 5 per cent, while seven missions and the support account registered underexpenditures of over 5 per cent, of which MINUSTAH, UNMIL and MINURSO had underexpenditures of 41, 21 and 18 per cent, respectively.

72. The Board recognizes that some variances will occur owing to the volatility of peacekeeping operations, but the extent of underexpenditure or overexpenditure in specific missions, coupled with redeployments, indicates the need for further improvement in budget planning and control of expenditure on official travel.

73. The Administration stated that efforts were being made to exercise a greater degree of planning and control during budget formulation to address the weaknesses identified by the Board.

Advance ticket purchase policy

74. In the extant administrative instruction, it is stated that all travel arrangements for individuals, including advance booking and purchase of tickets, should be finalized 16 calendar days in advance of commencement of official travel (ST/AI/2013/3, para. 3.3). The key performance indicator targets 75 per cent of tickets to be issued 16 or more days prior to departure. The extent of compliance with this policy directive in 2013/14 and 2014/15 is shown in table II.9.

Table II.9
Extent of compliance with the advance purchase policy for air tickets

	2013/14			*2014/15*		
Mission	*Compliance (No. of tickets)*	*Non-compliance (No. of tickets*	*Non-compliance (Percentage)*	*Compliance (No. of tickets)*	*Non-compliance (No. of tickets)*	*Non-compliance (Percentage)*
BINUCA/MINUSCA	53	282	84	664	571	46
MINURSO	332	163	33	237	105	31
MINUSMA	216	615	74	778	748	49
MINUSTAH	807	227	22	654	568	47
UNOCI	90	140	61	802	458	36
UNAMID	928	1 562	63	1 124	1 795	62
UNDOF	53	108	67	104	144	58
UNFICYP	201	80	28	175	82	32
Global Service Centre	271	217	44	316	208	40
UNIFIL	304	239	44	302	179	37
UNISFA	127	143	53	203	282	58

Mission	2013/14			2014/15		
	Compliance (No. of tickets)	Non-compliance (No. of tickets	Non-compliance (Percentage)	Compliance (No. of tickets)	Non-compliance (No of tickets)	Non-compliance (Percentage)
UNMIK	177	86	33	168	35	17
UNMIL	509	270	35	732	871	54
UNMISS	878	985	53	978	757	44
UNSOA	88	57	39	156	363	70
MONUSCO	371	557	60	1 668	1 045	39
Regional Service Centre	–	–	–	7	18	72
Total	**5 405**	**5 731**	**52**	**9 068**	**8 229**	**48**

Source: Field Budget Finance Division of the Secretariat.

Note: MONUSCO data for the third and fourth quarters of 2013, UNSOA data for the third quarter of 2013, UNISFA data for the third quarter of 2013 and UNIFIL data for the third and fourth quarters of 2014 were not included, as they were not available.

75. The Board noted the following:

(a) The Global Service Centre was one of the entities with extensive non-compliance (40 per cent). A test check undertaken by the Board indicated that, while there were cases related to security evacuation or delays owing to late receipt of entry visas, a number of the cases of non-adherence to the policy were related to travel for conducting interviews, attending meetings and carrying out evaluations/inspections that could have been planned in advance;

(b) Similarly, in UNMIL, which had a non-compliance rate of 54 per cent, a number of the cases were related to education grant travel, training, home leave and temporary duty assignments that could have been planned in advance;

(c) Staff rule 7.4 stipulates that all official travel must be authorized before it is undertaken. In exceptional cases, staff members may be authorized to travel on oral orders. In such cases, written confirmation shall be required no later than two calendar weeks after completion of the travel. In MINUSMA, there was no authorization for 41 travel cases involving expenditure of $134,346. Authorization was granted after the travel was completed in another 406 cases, involving an amount of $1.29 million. Such cases constituted 64 per cent of the total cases of official travel. If these cases are added to the cases for which there was no authorization at all, the total number of cases for which authorization was not accorded or was accorded after travel reaches 70 per cent. Such a high incidence of travel without prior authorization increases the risk of staff making unnecessary and costly travel arrangements and indicates a serious lack of internal control and supervision;

(d) The external training procedure of MINUSMA stipulates that a staff member proceeding on training must send the proposal with full details to the Chief of the Integrated Mission Training Centre, who then sends the training proposal to the Director of Mission Support, through the Budget Section, for final approval. We found that of the 243 requests for training made in 2014/15, travel for training, costing $186,253, was undertaken in 79 cases without the authorization of the Integrated Mission Training Centre.

76. Hence, while the Board noted an overall decline of 4 per cent in non-compliance in missions/field offices during 2014/15, with significant improvements in compliance at MINUSCA, MINUSMA, UNOCI, MONUSCO, UNDOF, UNIFIL, UNMIK and UNMISS, non-compliance has increased in MINUSTAH, UNSOA, and UNMIL. While the missions generally attributed non-compliance to sudden or operational requirements for travel for which the 16-day rule could not be followed, justifying a waiver, the instances of non-compliance and the extent of non-compliance that continues to exist indicates the need for continued vigorous monitoring and enforcement of the policy to optimize expenditure on travel in the peacekeeping budgets.

77. The Administration stated that it would continue to monitor and stress the need for strict compliance with the provisions of the administrative instruction on official travel relating to advance purchase of tickets. The requirement to submit travel requests 21 days prior to the expected departure date had been integrated in the Umoja portal travel module to ensure that travel requests are made in compliance with the administrative instruction.

78. **The Board recommends that the Administration: (a) continue to make efforts to improve budget planning and control overexpenditure on travel; (b) ensure strict enforcement of the policy on advance purchase of tickets, except in exceptional circumstances; (c) determine accountability for deviations from the rules and instructions; and (d) consider fixing responsibility for travel without prior written authorization.**

6. Vehicle fleet management

79. The net book value of vehicles owned by peacekeeping missions increased from $325 million as at 30 June 2014 to $347.7 million as at 30 June 2015, which constituted about 25 per cent of total property, plant and equipment. In its previous report, the Board had highlighted excess holdings of light passenger vehicles in five missions (MINUSTAH, UNAMID, UNDOF, UNMIL and MONUSCO) and recommended that the Administration continue its efforts to eliminate excess holdings of light passenger vehicles. During the current audit cycle, the Board extended its review of excess holdings to the remaining missions as shown in table II.10.

Table II.10
Light passenger holdings as at 30 June 2015

	2013/14			2014/15		
Mission	*Projected holdings*	*Actual holdings*	*Excess holdings/ (percentage)*	*Projected holdings*	*Actual holdings*	*Excess holdings/ (percentage)*
MINUSTAH	837	1 057	220 (20.8)	1 008	995	-13 (1.3)
UNAMID	1 704	2 326	622 (26.7)	1 000	1 669	669 (40.1)
UNDOF	197	222	25 (11.3)	181	149	-32 (21.5)
UNMIL	572	719	147 (20.4)	556	620	64 (10.3)
MONUSCO	1 517	1 557	40 (2.6)	1 375	1 389	14 (1.0)
MINURSO	203	203	0 (0.0)	194	207	13 (6.3)
UNMISS	1 030	999	-31 (3.1)	1 015	1 037	22 (2.1)
UNSOA	218	210	-8 (3.8)	243	209	-34 (16.3)
UNOCI	739	766	27 (3.5)	553	560	7 (1.3)
UNFICYP	207	189	-18 (9.5)	188	191	3 (1.6)
UNIFIL	580	555	-25 (4.5)	477	485	8 (1.6)
UNISFA	155	131	-24 (18.3)	190	181	-9 (5.0)
UNMIK	100	112	12 (10.7)	71	78	7 (9.0)
MINUSCA	–	–	–	438	342	-96 (28.1)
MINUSMA	–	–	–	401	416	15 (3.6)
Total	**8 059**	**9 046**	**987 (12.2)**	**7 890**	**8 046**	**638 (8.1)**

Source: Logistics Support Division of the Secretariat.

80. The Board noted an overall reduction in the excess number of light passenger vehicles, from 987 as at 30 June 2014 to 638 as at 30 June 2015, which represented a reduction from 12 per cent to 8 per cent of the projected holdings. In UNAMID, however, the excess holdings increased from 27 per cent to 40 per cent during the period, with the result that excess holdings in UNAMID amounted to more than the total excess holdings for all of the other missions together. There was scope for reduction in MINURSO, UNMIK and UNMIL, where excess holdings were over 5 per cent of the projected holdings.

81. The Administration stated that a robust system of reviewing mission holdings in light passenger vehicles against entitlements was in place that had resulted in a reduction of excess holdings.

82. The Board reiterates its previous recommendation that the Administration continue its efforts to eliminate excess holdings of light passenger vehicles in missions.

7. Air transportation

83. Peacekeeping operations incurred an expenditure of $750.92 million on air transportation during 2014/15, which was 26 per cent of the total expenditure under operational costs. In its previous reports, the Board had highlighted underutilization of air assets in terms of flight hours and passenger and cargo capacity, as well as

deficiencies in strategic planning and coordination of strategic flights. The Board's findings during the current audit cycle are set out in the paragraphs below.

Utilization of air assets

84. The Board had noted in its previous report (A/69/5 (Vol. II), chap. II) that there was a mismatch between the flight hours available to missions and those actually required or utilized, as reflected in the number of "no-flight-required" days,[5] which indicated a potential for significant cost savings. Accordingly, the Board had recommended that the Administration carry out a trend analysis of the utilization of air resources by missions to determine the optimum size and composition of the aviation fleet required without compromising operational parameters.

85. The aviation fleet is a diverse mix of military and civilian aircraft consisting of a total of 55 fixed-wing and 150 rotary-wing aircraft. Table II.11 provides details by mission of the number of days of support, the number of days for which aircraft were not available and the number of days for which there were no flights required during 2014/15.

Table II.11
Air fleet support, not-available days and no-flight-required days

Missions	*No. of days of support*	*No-flight-required days*	*Not-available days*
MINURSO	1 351	560	111
MINUSCA	2 387	246	349
MINUSMA	5 562	1 658	1 285
MINUSTAH	2 732	1 050	611
MONUSCO	14 221	2 265	2 830
UNOCI	3 880	2 321	582
UNAMID	7 724	3 353	859
UNFICYP	878	307	413
UNIFIL	1 903	1 285	448
UNISFA	3 305	797	388
UNMIL	3 443	2 287	437
UNMISS	8 653	2 379	1 332
UNSOA	4 113	1 523	452
Total	**60 152**	**20 031**	**11 097**

Source: United Nations.
Note: Shared flights have been counted against one mission.

86. Of the total of 60,152 support days, there were 20,031 no-flight-required days, indicating that no flights were requested on nearly 33 per cent of the days for which

[5] No-flight-required days are days on which a mission has no task but the flight crew and the aircraft are available for tasking. This is distinct from not-available days, on which the aircraft is not available for tasking.

flights were contracted. Flights were not available for tasking for 11,097 days, or 18 per cent of the support days. Thus, the contracted flights were not utilized by the missions for 51 per cent of the contracted days and there remained a persistent mismatch between the flight hours available and those actually required or utilized by missions.

87. The Board noted that the utilization of air assets in terms of budgeted flying hours improved from about 80 per cent in the previous year to 86 per cent during 2014/15 in the above-mentioned peacekeeping missions, as shown in table II.12.

Table II.12
Utilization of budgeted flying hours

Mission	*Budgeted flying hours*	*Actual flying hours*	*Utilization (Percentage)*
UNMISS	24 380	19 835	81.36
MINURSO	3 230	3 046	94.30
MINUSCA	4 610	3 737	81.06
MINUSMA	12 997	11 443	88.04
MINUSTAH	3 180	2 734	85.97
MONUSCO	30 181	28 355	93.95
UNAMID	22 140	13 401	60.53
UNFYCIP	1 320	1 152	87.27
UNIFIL	1 475	1 181	80.07
UNISFA	6 726	7 027	104.5
UNMIL	5 980	4 557	76.20
UNOCI	7 154	5 683	79.44
UNSOA	8 114	10 564	130.19
Total	**131 487**	**112 715**	**85.72**

Source: United Nations.
Note: Shared flights have been counted against one mission.

88. The Board conducted an analysis of the utilization of air assets in two of the largest peacekeeping missions, namely, MONUSCO and UNAMID, in terms of contracted flying hours, since the reckoning of actual hourly flying costs under air charter contracts includes payment of fixed commitment charges irrespective of actual utilization.

89. MONUSCO budgeted for a total of 30,181 flying hours during 2014/15. However, it contracted for 40,320 hours (134 per cent of the budgeted hours), which entailed payment of $68.93 million towards guaranteed yearly costs, but utilized only 28,355 hours (94 per cent of the budgeted hours or 70 per cent of the contracted hours). Hence, the Mission contracted for more hours than it actually required.

90. The Board undertook an exercise to establish the cost implications of the additional contracted hours, keeping in view the fact that a typical air charter contract has two components: a fixed component, which is an annual guaranteed amount irrespective of the hours flown, and a variable component based on actual flying hours. For this purpose, the Board selected 32 medium-lift helicopters

engaged by the Mission. The Board noted that MONUSCO had contracted for 22,620 hours (not guaranteed), while the budgeted flying hours were only 15,016 hours, reflecting an excess capacity of 7,604 hours. As the budgeted flying hours for 2014/15 were 34 per cent less than the contracted hours, MONUSCO could have saved on the fixed component of the contract, either by planning for fewer contracted hours or by chartering fewer aircraft. For example, MONUSCO could have saved $19.33 million towards the guaranteed costs by not entering into two of the contracts (totalling 5,760 flying hours), as the available contracted flying hours would have been sufficient to meet the budgeted flying hours.

91. UNAMID budgeted for 22,140 flying hours during 2014/15, but contracted for 30,900 hours (140 per cent of the budgeted hours), which entailed payment of $119.07 million towards the guaranteed yearly costs, but utilized only 13,401 hours (61 per cent of the budgeted hours and 43 per cent of the contracted hours). As in the case of MONUSCO, UNAMID had also contracted hours in excess of its actual requirement.

92. The Board's analysis of the contracting of medium-lift helicopters by UNAMID showed that the Mission had contracted for 22,560 hours (not guaranteed), while the budgeted flying hours were only 16,440 hours, reflecting an excess capacity of 6,120 hours. As the budgeted flying hours for 2014/15 were 27 per cent less than the contracted hours, UNAMID could also have saved on the fixed component of contract, either by planning for fewer contracted hours or by chartering fewer aircraft. For example, it could have saved $30.64 million towards the guaranteed costs by not entering into contracts for 5,760 flying hours, as the available contracted flying hours would have been sufficient to meet the budgeted flying hours.

93. In respect of fixed-wing aircraft (51-150 passengers), UNAMID contracted for 3,660 hours, while the budgeted flying hours were only 1,950 hours, reflecting an excess capacity of 1,710 hours. UNAMID was paying an amount of $28.70 million towards yearly guaranteed cost for 1,260 hours, which could have been avoided had the contracted hours been aligned with the budgeted hours.

94. **The Board recommends that the Administration expeditiously complete the trend analysis of utilization of air assets by different missions to facilitate decisions for right-sizing the air fleet to ensure optimum utilization.**

95. The Administration stated that it had requested all field missions to conduct a trend analysis of the utilization of air assets and that results had been received from three missions as at 1 January 2016. The Department of Field Support had analysed the global trend for the 2014/15 financial period. It would explore ways to optimize the utilization of air assets through the aviation information management system and engage with missions to ensure that air fleets are the right size.

Potential overpayment due to inconsistencies in reporting

96. The days on which flights are not available (not-available days) are not to be counted towards the number of days of support; payments for charter aircraft are made after excluding the not-available days from the days of support. An analysis by the Board of the electronic monthly aviation reports of all the missions revealed 180 instances in which the number of days of support and the not-available days together exceeded the number of days in the month. This meant that the not-available days had not been excluded from the number of days of support. These

180 instances accounted for 1,439 of the not-available days, or approximately 2.4 per cent of the total number of days of support. These instances may have led to an overpayment with respect to air charters. While the Board was not able to estimate the total potential overpayment in the absence of details relating to the above contracts, the risk was significant since the total value of the air transport contracts was about $700 million.

97. **The Board recommends that the Administration urgently: (a) investigate the 180 instances cited above and effect recoveries, if due, from the contractors; and (b) develop a standard operating procedure for periodic data analysis of the electronic monthly aviation reports and for verification of invoices received from the air charters before releasing payments.**

98. The Administration stated that the implementation of the aviation information management system would provide better visibility of data and eliminate some of the manual processes. It added that it would investigate the number of not-available days and whether any overpayment had been made.

Management and monitoring of strategic/out-of-mission-area flights — the Global Service Centre

99. The primary purpose of the Strategic Air Operations Centre is to make strategic and out-of-mission-area flights efficient, cost-effective and responsive to operational needs by taking into account the unique mandates, complexities, specificities and operational conditions of each mission. The standard operating procedure stipulates that flight requests shall be received at least 10 working days in advance to enable proper task/pre-flight analysis. There should also be a post-flight analysis to bring out any discrepancy between the projected flight information and cost calculation in the pre-flight analysis and the actual data of the flight. Future tasking would then be based on the lessons learned.

100. There were 129 strategic/out-of-mission-area flights during 2014/15. The Board noted the following:

(a) Requests were received late in 104 cases (81 per cent). This included five cases in which the flight request was received by the Strategic Air Operations Centre after the date of the flight. When flight requests were delayed, the Strategic Air Operations Centre did not have adequate time to carry out pre-flight analysis, thereby defeating the objective of ensuring efficient and cost-effective air operations. It should have been possible for the requesting missions to comply with the stipulated timeline for flight requests since the vast majority of the flights were not of an emergency nature, when compliance with the stipulation of 10 working days in advance may not be practicable;

(b) In 98 cases, the Strategic Air Operations Centre did not carry out any pre-flight task analysis. In 27 cases, task analysis was performed after the departure of the flights. It was only in four cases that the Strategic Air Operations Centre carried out task analysis prior to the departure of the flights. The Board test-checked seven cases in which the Strategic Air Operations Centre carried out task analysis (including ex post facto) and found that there was no documentation of any task analysis in five of those cases;

(c) Post-flight analysis was not performed in 124 cases (96 per cent). Of the five cases for which the Centre informed the Board that it had performed the

analysis, no documentation relating to the analysis was available in three cases. In one case, for which the post-flight analysis document was available, even basic information relating to passengers/cargo carried, fuel uplift, crew expenses, ground handling charges, airport and other charges were not found in the documentation.

101. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted the same deficiencies, and the Administration had agreed with the Board's recommendation that it ensure strict adherence to the time frames for sending requests and information to enable effective both pre-flight and post-flight analysis. There has been no significant improvement in the position.

102. The Administration stated that there were 108 out-of-mission-area flights that did not require post-flight analysis. The Board noted that the standard operating procedure of the Strategic Air Operations Centre of August 2015 does not draw a distinction between strategic and out-of-mission-area flights.

103. The Administration stated that they had reminded all missions to ensure strict compliance with the established procedures. In addition, the Global Service Centre would implement a reporting mechanism to identify non-compliance for appropriate action.

104. The Board recommends that the reasons for continued non-compliance with the instructions be reviewed and an effective mechanism put in place to ensure due coordination and accountability for compliance.

Underutilization of unmanned aerial vehicles

105. MINUSMA leased two miniature unmanned aerial vehicle systems for reconnaissance purposes. The payments to be made for the systems were linked to the number of flights flown, with the minimum being 20 flights at $9,509 per system per month. The letter of agreement stated that the system should be capable of an average of 60 flights per month. The Board noted that the number of flights actually undertaken ranged from 0 to 13 flights per month during the period from August 2014 to June 2015. This worked out to an average utilization of 8 per cent of the estimated 60 flights per month.

106. The Mission leased another miniature unmanned aerial vehicle system on similar terms. Payments were to be made on the basis of flights per month, with the minimum being nine flights per month at a rate of $9,284 per system per month. In this case also, the letter of agreement stated that the system would be capable of 60 flights per month. The average utilization of the flights worked out to 48 per cent of the estimated flights.

107. In addition, the Mission leased one short-range tactical unmanned aerial system. The payments were linked to flight hours flown, with the minimum being 60 flight hours per month at a rate of $114,331 per month. The system was utilized for periods ranging from 2 to 109 hours, which worked out to an average of 44 per cent of the 145 estimated hours per month envisaged in the letter of agreement.

108. MONUSCO introduced unmanned aerial vehicle systems to provide more effective reconnaissance and surveillance capabilities in support of all mandated activities. The systems were to be supplied under a three-year contract between the supplier and the United Nations at a cost not to exceed €31.73 million

($42.08 million).[6] The procurement of the systems was to have been preceded by a thorough pre-bid environmental assessment to establish system specifications and key requirements for desirable outcomes. However, in the deployment of systems in the Mission, the operating environment, including turbulence, rainy weather and terrain, was not fully taken into account. As a result, there were frequent cancellations of flights and incidents of system failure. For example, in July 2014 there were 13 mission cancellations and in August 2014 there were 27 mission cancellations and three missions were aborted owing to unfavourable weather conditions. Furthermore, the Mission lacked sufficient qualified, trained and experienced air crews to operate the unmanned aerial systems, which further limited their operational availability. While the contract set an average of 200 hours per month, the Board noted a minimum of 24 hours in November 2014 and a maximum of 186 hours in July 2015.

109. The Board observed that, given the experience gained and keeping in view the actual utilization rates, there appeared to be scope for optimization of the number of systems leased to reduce costs without compromising operational requirements.

110. **The Board recommends that the Administration review its requirements for unmanned aerial vehicle systems in order to optimize their numbers and usage and assess whether costs can be reduced without compromising operations.**

111. The Administration stated that it had evaluated a wide array of unmanned aerial vehicle systems and was seeking more capable products and service providers to reduce the overall footprint and improve cost-effectiveness.

8. Procurement and contracting

112. The procurement process is a single integrated function that commences from assessment of requirements and acquisition planning to conclusion of contracts and thereafter management of contracts until their fulfilment. The general principles that are to be given due consideration when exercising procurement functions are encapsulated in regulation 5.12 of the Financial Regulations and Rules of the United Nations as: (a) best value for money; (b) fairness, integrity and transparency; (c) effective international competition; and (d) the interest of the United Nations. The Financial Regulations and Rules are supplemented by the United Nations Procurement Manual, which is a compendium of regulations approved by the General Assembly and the related rules that are to be observed by management and staff in discharging procurement functions.

113. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted weaknesses in the conduct of procurement activities that led to avoidable expenditure, including delays in the placing of purchase orders and the award of contracts, failure to obtain performance bonds, delays in effecting recoveries and lack of consistent application of provisions such as liquidated damages with respect to vendors who failed to discharge their contractual obligations. In its resolution 69/249 B, the General Assembly requested the Secretary-General to address the weaknesses pointed out by the Board in respect, inter alia, of procurement and contracting as a matter of priority. It also requested the Secretary-General to continue his efforts to hold staff members accountable, in particular senior

[6] United Nations operational rate of exchange as at 1 August 2013: $1 = €0.754.

managers, for mismanagement and poor decision-making leading to financial loss for the Organization.

114. The Board continued to assess procurement activities at peacekeeping headquarters, as well as in various field missions, as a high-risk area and examined them further. The findings of the Board are presented in the paragraphs below.

Deviations from bid requirements or established tendering processes

115. Rule 105.15 of the Financial Regulations and Rules of the United Nations stipulates that a procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the one with the lowest cost to the United Nations. Furthermore, paragraph 11.2.6 of the Procurement Manual stipulates that meeting the substantive and technical requirements of an invitation to bid or request for proposal must be an objective, non-discretionary determination at the time of evaluation of the offers received from the vendors. Paragraph 11.15.3, on adherence to solicitation documents, stipulates that it is crucial to maintain the integrity of the procurement process and that any deviation and change from the agreed protocol and methodology will be perceived as an attempt to favour a vendor and will trigger serious concerns with regard to a flawed procurement and even fraud and wrongdoing. It is, therefore, preferable to cancel a tender process rather than change any key components during the implementation of the solicitation documents. Paragraph 11.20 stipulates that the technical evaluation of bids shall not be based on scoring, but on a pass/fail determination of whether the bid substantially conforms to the requirements set forth in the invitation to bid.

116. The Board noted four instances of award of contracts to vendors, although they did not fulfil the specifications stipulated in the bid documents or deviated from established tender processes. The instances are detailed in the paragraphs below.

(i) *Contract for a landing mat system*

117. A systems contract was awarded in October 2014 for a rapidly deployable landing mat system for the development of helipads at a cost not to exceed $6.74 million. The Board noted that six vendors had responded to the solicitation documents, of which three were found to be technically compliant (June 2014). The bidders had been required to submit a company profile indicating their institutional capacities and proof that they had been providing the same or similar products during the last five years, along with at least three past letters of reference. The vendors were to be evaluated on a pass/fail basis on these mandatory requirements.

118. The contract award was challenged by the unsuccessful vendors, who contended, inter alia, that the winning vendor did not comply with the requirements. The independent expert in the Award Review Board noted that the successful bid should have been disqualified by the United Nations evaluators. In response to a query from the Award Review Board regarding the feasibility of cancelling the contract, the Procurement Division indicated that landing mats were an operational requirement and, as the current fiscal year was to end shortly and missions had already budgeted for the mats, they might not have the time to order the material needed for alternative pads. The Award Review Board recommended that it would not be in the best interest of the Organization to cancel the existing contract, even though there would be a corresponding loss of credibility and transparency.

Subsequently, the contract, which was for a period of three years plus two optional years, was restricted to only three years.

119. The Administration stated that the Under-Secretary-General for Management did not approve the recommendation that the contract awardee should be disqualified and considered that the vendor possessed sufficient expertise of producing the same or similar products and, therefore, that the vendor fulfilled the requirements of the bid.

120. Diligent evaluation of bids with reference to stipulations in the solicitation documents is a central element of a fair and transparent procurement process. In the instant case, improper evaluation of bid proposals, as assessed by the independent expert, resulted in the award of a contract to a vendor that did not meet mandatory bid requirements. Such inadequate evaluation undermines the integrity of the procurement process and puts the credibility and reputation of the Organization at risk. It is important, therefore, that the technical stipulations in the solicitation documents be unambiguous and that they be adhered to without deviation.

(ii) Leasing of aircraft

121. The Procurement Division entered into a contract on 30 August 2011 for the leasing of a Boeing 737-500 aircraft for UNMIL. During the tenure of the contract, a Boeing 737-400 was substituted for the original aircraft (Boeing 737-500) at a higher cost on the grounds that it was a superior aircraft that had a capacity of 144 passengers, compared with the Boeing 737-500, which had a capacity of 114. The cost per flight hour for the Boeing 737-400 was $3,361.91, as against $2,455.63 for the Boeing 737-500. Subsequently, in October 2013, the Procurement Division invited bids for an aircraft for UNMIL with the capacity to carry 120 passengers for three years (January 2014 onward). The vendor who secured this contract was also the vendor in respect of the earlier agreement.

122. The Board noted from the certificate of registration of the Boeing 737-400 aircraft that the aircraft was certified to carry a maximum of only 114 passengers and that it therefore did not fulfil the projected requirement for an aircraft with a carrying capacity of 120 passengers. Carriage of passengers in excess of certified capacity compromises flight safety and is generally not permissible. Furthermore, the principal justification for change of the aircraft from a Boeing 737-500 to a Boeing 737-400 and for the increase in cost by approximately $906 per flight hour was unsustainable if the certified passenger carrying capacity of the aircraft was less than that stated in the proposal and even less than the operational requirement. At an estimated requirement of 2,400 flight hours per year for three years under the contract, the excess liability amounted to $6.52 million.

123. The Procurement Division stated that the carrying capacity of an aircraft could vary depending on the configuration of the aircraft, although it could not exceed the limit established by the type certificate, which was 188 passengers in this case. The aircraft was always provided by the carrier with a seating capacity in excess of the minimum required under the contract. The Administration stated that the seating capacity cited by the Board was in the registration certificate of the emergency locator transmitter that was issued by the authority registering the transmitter to demonstrate its compliance with the standards of the International Civil Aviation Organization and national civil aviation regulations. The emergency locator

transmitter certificate does not replace the type certificate or limit the number of passengers authorized to be transported, as stipulated in the type certificate.

124. The Board noted that, while the carrying capacity of an aircraft can vary depending on the configuration, the maximum number of passengers that a specific aircraft was certified to carry would not change in different certificates. The specific registration number of this aircraft was VQ-BID and the emergency locator transmitter registration of this aircraft made available during the audit gave its carrying capacity as 114 passengers. Thus, the Procurement Division had contracted for an aircraft with a certified passenger carrying capacity of 114, whereas the requirement was for an aircraft with a passenger carrying capacity of 120 passengers, and it was paying the rate for an aircraft with a capacity of 144 passengers.

(iii) Procurement of corrugated iron sheets

125. UNAMID proposed the purchase of corrugated galvanized iron sheets from the local market. During technical evaluation, the Mission found that all the samples that had been received from the respondents to the invitation to bid differed from the specifications contained in the bid documents. UNAMID proposed to change the specification of corrugation pitch 100 mm and corrugation depth 50 mm set in the bid documents to corrugation pitch 75-80 mm and corrugation depth 20-25 mm, based on the samples provided by the vendors. The Chief Procurement Officer suggested that, given the difference in specifications, the Mission should purchase only 2,000 sheets in this bidding process. However, UNAMID purchased 5,000 sheets on 28 September 2014 from the vendor at a cost of $50,880.

126. The Administration stated that the Procurement Manual mentioned cancellation of tender process as a preference only. The Procurement Office had recommended acquiring the immediately required quantity only and rebidding for the balance.

127. The Board observed that the primary purpose for the stipulations in the Procurement Manual was to maintain the quality standards of the items being procured and the sanctity of the procurement process to obviate the risks of vendor-driven procurements and possible fraud. In this instant case, the Mission not only deviated from the specifications in the solicitation documents, but also procured quantities much in excess of that approved by the Chief Procurement Officer. This provides no assurance as to the integrity of the procurement process.

(iv) Engagement of Internet service providers

128. On 15 December 2014, a request for proposal was issued by UNISFA for the engagement of Internet service providers for a period of two years (extendable for one year) at a cost not to exceed $800,000 for the first two years. Pursuant to the request for proposal, the technical and financial bids were to be submitted simultaneously in two separate sealed envelopes packed in one sealed outer envelope before the due date of 22 January 2015, which was subsequently extended to 5 February 2015. Two vendors submitted bids in response to the request for proposal. The Tender Opening Committee opened the technical proposals on 5 February 2015 and forwarded them to the Geospatial Information and Telecommunications Technology Section for technical evaluation. On 17 March 2015, the Section determined that both of the proposals were technically compliant. Thereafter, on 23 March 2015, the Procurement Officer requested the Tender Opening Committee

to open the financial proposals. However, on 29 April 2015, one of the vendors was asked to resend its financial proposal, as the proposal was "not found" owing to "unknown circumstances".

129. The vendor resubmitted its financial proposal, which was evaluated by the Procurement Section as the most responsive proposal. The Procurement Section also indicated that the other vendor could not be considered further because the vendor was already providing the same services to UNISFA, and the required services were for "redundancy purposes" to enhance the services already being provided by this vendor, and the intention of the procurement was for a backup Internet service provider. On 15 May 2015, the local committee on contracts approved the proposal of the vendor that had been asked to resend its financial proposal.

130. The Board noted that:

(a) The Procurement Section was aware on 5 February 2015 that only two proposals had been received in response to the request for proposal and that one of them was of the vendor that had been already providing services to the Organization. Hence, if this vendor was ineligible as they were already providing services to UNISFA and the intention of the procurement exercise was to have a backup Internet service provider, as stated to the local committee on contracts, then the procurement proposal should have been terminated at that stage and fresh proposals invited or the procurement proposal transparently treated as a single vendor case and dealt with accordingly. There was no point in technically evaluating the proposal of this vendor if it was ineligible ab initio. The argument put forth to the local committee on contracts can be perceived as an afterthought intended to facilitate consideration and approval of the proposal of the second vendor as the sole remaining option;

(b) Loss of a financial proposal received in a competitive procurement process raises serious concerns as to the integrity of the process. There is nothing on record to investigate the circumstances of the loss or to fix responsibility;

(c) The seeking and acceptance of a financial bid from a vendor after the conclusion of the technical evaluation in a contract vitiates the procurement process, violates the canons of financial propriety and probity and manifestly raises the risk of manipulation and irregularities in the procurement process.

131. The Administration stated that the incident was an isolated case. Since adequate procedures are already in place for the retention and safe custody of the technical and financial bids received, no further action was required.

132. The Board observes that calling for a financial proposal after technical evaluation is against the established tender procedures. Furthermore, the sequence of events, as documented in the records, provides no assurance as to the integrity of the procurement process that led to the award of a contract valued at $800,000.

Lack of competitive bidding

133. Rule 105.15 of the Financial Regulations and Rules of the United Nations provides for formal methods of solicitation through a competitive bidding process. The exceptions to this rule are listed in rule 105.16. One of them is when there is exigency for the requirement. This determination is to be made by the Under-Secretary-General for Management and the reasons are to be recorded in writing.

134. On 4 March 2015, MINUSMA received a memo concerning an immediate operational requirement from the Engineering Section authorizing negotiations with a single contractor for construction of concrete bases and erection of two "type B" pre-engineered structures at Timbuktu airport. The estimated cost of the project was $117,750. The matter was, however, placed before the local committee on contracts on 21 May 2015 after a lapse of 77 days. The local committee on contracts observed that there were no sufficient reasons not to have invited two or three vendors for a limited bid and that it did not see this case as one of immediate operational requirement given the timeline of the project. However, the local committee on contracts approved the proposal on the grounds that it had already been approved by the Director of Mission Support.

135. The Board noted that this case did not qualify under the exceptions listed in rule 105.16, since there was evidently no urgency in the matter. Hence, the approval of the contract valued at $117,750 on a single-vendor basis, without going through the formal solicitation process, was in contravention of the Financial Regulations and Rules of the United Nations.

Non-levy of liquidated damages

136. Paragraph 9.35 of the Procurement Manual envisages the inclusion of a provision for liquidated damages in contracts and purchase orders to ensure proper performance by the vendor and to avoid lengthy disputes once the aggrieved party can prove breach of contract. It stipulates that liquidated damages should be a fixed percentage of the contract value per day or week or other time period that the work is not completed or the goods or services are not delivered, up to a reasonable maximum percentage of the contract value, normally no more than 10 per cent, in case of delayed supplies attributable to the vendor. The Board noted the following instances in which these provisions were not invoked:

(a) The Board reviewed all 433 purchase orders valued at $155.98 million issued in MINUSCA during 2014/15 for procurement of different items and noted delays in supply against 110 purchase orders valued at $32.87 million. However, liquidated damages were not imposed and no reasons for non-imposition were recorded. The Mission stated that a structure to identify late deliveries had not been fully instituted. However, a procedure had now been established to flag late deliveries, and investigations would be initiated to establish the cause and decide whether liquidated damages should be applied;

(b) In February 2015, UNISFA awarded a contract for drilling of wells in Kadugli at a cost of $226,695. The work was to be completed by 30 June 2015. The scope of the work included a geophysical survey, a well-drilling plan and the construction of two bore wells. The contractor commenced the digging without conducting the geophysical survey and could not thereafter go below 60 metres. In April 2015, the contractor withdrew his staff from the site. The Mission extended the construction period by four months without imposing any liquidated damages, although the delay was attributable to the contractor, in that the contractor did not undertake the geophysical survey that was part of the scope and the cost of the contract prior to commencement of the work. The reason for extension of the contract without considering imposition of liquidated damages was not on record;

(c) In April 2015, UNISFA awarded a contract for installation of chain-link fencing and concertina wire at Anthony airfield to be completed by 30 June 2015 at

a cost of $367,625. The work was delayed owing to the non-availability of cranes and forklifts that were to be arranged by the contractor in accordance with the bill of quantities/scope of work under the contract. The mission extended the contract period without invoking the contractual provisions for delays attributable to the contractor. Again, the reason for not invoking the those provisions was not on record;

(d) On 30 June 2013, UNAMID entered into a contract with a vendor for the drilling of 25 boreholes at various locations at a cost of $1.77 million. The work was scheduled to be completed within 14 months from the date of commencement. The Board noted that the Mission had issued seven task orders to the contractor for the drilling of boreholes. Only five boreholes were drilled, and that after the stipulated dates of completion. As tasks were either completed late or not completed at all, the liquidated damages that could be levied worked out to $72,747. UNAMID stated that it had decided to apply liquidated damages amounting to $20,885 in respect of three task orders but that there had been an oversight in not actually effecting the deduction for liquidated damages.

137. The Administration stated that liquidated damages were intended to compensate for actual losses caused by a delay and not as a penalty for delays or poor performance. The determination as to when and how to use liquidated damages provisions in United Nations contracts was complex, and such clauses are neither mandatory nor appropriate for all contracts.

138. The Board observes that timely delivery of supplies and equipment is essential for the smooth functioning of the missions, and undue delay may have an adverse impact on operations. Hence, ensuring vendor performance of contract obligations in respect of timely delivery is imperative. The granting of extensions to contracts without holding the contractor accountable for delays in performing his contractual obligations undermines the ability of the missions to ensure timely completion of projects and may amount to undue benefit to the contractor.

Performance bonds from vendors

139. In paragraph 9.34.1 of the Procurement Manual, the purpose of security instruments is explained as being to provide the United Nations with security against expenses and losses that result from a failure by a vendor to perform its obligations. In paragraph 15.7.3, it is stated that before issuing an amendment that extends or increases the value of a contract, the Procurement Officer shall confirm that a satisfactory vendor performance report is on file, and any guarantee document (e.g., performance security) issued at the time of the original contract is reissued or modified, as appropriate. In its previous report, the Board had recommended that the Administration review the guidelines for obtaining performance bonds to ensure that they were adequate to secure the interests of the United Nations and result in consistent application of provisions of the Procurement Manual. The Secretary-General, in his report on the implementation of the Board's recommendations (A/69/781), had requested closure of the recommendation "since its content is already reflected in practice" and specific guidelines were already provided in the Procurement Manual.

140. The Board reviewed the application of the provisions relating to obtaining of performance bonds in three missions in the light of the position brought out by the Secretary-General. Its findings are set out in the paragraphs below.

141. At UNMIL, the Board reviewed 20 contracts, with a value of $23.27 million, of the 77 contracts, valued at $28.81 million. It noted that 14 contracts, valued at $12.65 million, had performance bond clauses. Of the 14 contracts, 13 provided for performance bonds to be submitted by the vendors within 10 days of signing the contract and 1 contract required the performance bond to be submitted not later than 10 days following the effective date of the contract. The performance bonds were to be valid for a period of 30 days after expiration of the contracts.

142. The Board noted the following:

(a) Performance bonds were actually submitted for only 7 (valued at $269,522) of the 14 contracts that had the requirement for performance bonds. Of those seven, four (valued at $85,594) were submitted after delays ranging from one to eight months;

(b) The validity of four of the seven submitted performance bonds expired within 30 days of the expiration of the contract, while the validity of the other three expired on the dates the contracts ended;

(c) Two of the contracts were extended and their not-to-exceed amount increased, but with no corresponding changes in the performance bond to reflect their revised duration and amounts.

143. Paragraph 9.34.10.b of the Procurement Manual provides that negotiable instruments, such as a certified check or a bill of exchange or check issued or accepted by a bank or other financial institution acceptable to the United Nations, should not be used as a performance security. At UNAMID, the Board noted the following:

(a) Cheques were accepted as performance security in five contracts. The validity of a cheque is usually for a period of six months, while the period of the contract is two years. Moreover, a cheque does not provide a guarantee that it can always be cashed;

(b) In another three cases, performance security was not obtained, although it was a requirement in the solicitation process. In two other cases, the performance security was not renewed after the first year, although the contracts were ongoing.

144. MINUSMA entered into a contract with a supplier on 3 July 2013 for supply, storage, transportation and distribution of fuel, packaged and empty fuel drums, lubricants and other petroleum products. The contract, with an initial period of six months, was extended five times until its termination in August 2015.

145. The Board noted that, in accordance with the contract, the supplier was to provide a performance guarantee within 15 days of the signing of the contract for an amount of CFAF 3.37 billion ($6.69 million),[7] which would remain in force until six months from the conclusion of the agreement. The Mission agreed to provide CFAF 1.61 million ($3,207) per month as a contribution towards the cost of the guarantee.

146. The Administration indicated that the supplier had recorded losses in 2012. Accordingly, a special approval for the registration of the company was granted on the premise that a guarantee would be furnished by the parent company of the

[7] United Nations operational rate of exchange as at 1 June 2013: $1 = CFAF 503.119.

supplier as a risk mitigation measure. The parent company, however, refused to provide the guarantee. It was subsequently agreed that the value of the performance security to be provided by the supplier would be doubled to CFAF 3.37 billion. The supplier agreed to this proposition but requested the United Nations to share the financial burden of this additional cost, as it was not factored into their original contract. It added that, even if the United Nations agreed to contribute to the cost of the performance guarantee, it would still be the beneficiary of the whole amount of the performance guarantee if it had to be redeemed.

147. The Board observed that the cost of furnishing a performance guarantee is to be borne by the vendor and is not normally shared or reimbursed by the purchaser, as that undermines the very purpose of a performance guarantee. In the case of redemption due to non-performance of the contractor, the purchaser would be partly getting its own contribution amount. Furthermore, such a provision was contrary to the standard provisions of the Procurement Manual relating to performance securities.

Deficient contract management

148. A contract was entered into by UNAMID on 30 July 2012 for three data centres at El Fasher, Nyala and Geneina at a cost not to exceed $3.15 million. The work was to be substantially completed by 30 June 2013. The contract was extended repeatedly, and the substantial completion date was revised to 24 July 2014. The work could not be completed, even by the revised substantial completion date. The work at El Fasher and Nyala was completed on 14 August 2014 and 22 August 2014, respectively, with delays of three and four weeks, respectively. The work at El Geneina was completed on 6 February 2015, with a delay of 29 weeks.

149. The Board noted the following:

(a) The contract provided that the Mission, within 30 days of the certification of application for payment, would pay the approved amount after adjusting the retention amount. Payment would be made on a monthly basis depending on the progress of the work. The Board found delays ranging from 31 to 177 days between the date of the invoice and the date of payment at different milestones stipulated in the contract. Such delays in making payments to the contractor contributed to delays on the part of the contractor in fulfilling the contract, as it affected the contractor's cash flow and necessitated extension of the date of completion from 31 January 2014 to 31 May 2014. UNAMID attributed the delays to issues with Umoja, sanctions by the Office of Foreign Assets Control of the Sudan, the time required to determine the applicable liquidated damages and budget closure activities. However, the Board noted that the delays were attributable to lax processing of invoices by the sections concerned. For the final payment, the contractor actually submitted the invoices to UNAMID in March 2015 and payments were released in August 2015;

(b) In accordance with the contract, a deduction of 10 per cent of the certified amount was to be made from each progress payment as retention money. Fifty per cent of the retention money would be paid to the contractor on the completion of work, and the remaining 50 per cent would be paid on the completion of pending work after the defect liability period. An amount of $157,458 was to be retained as the retention money from the contractor. However, an amount of only $78,016 was retained, resulting in excess payment of $79,442;

(c) In accordance with the contract, the performance security shall remain valid and in force until 90 days after the termination or expiration of the contract. The defect liability period of the contract ends on 6 February 2016 (i.e., 12 months after the completed date of the contract). The performance bond for $0.32 million should, therefore, remain valid up to 6 February 2016. However, the performance bond of the contractor expired on 31 December 2014 and was not renewed. Lack of performance security for the full period of the contract negated the purpose for the security instrument as envisaged in the Procurement Manual and increased the risk of not getting the work completed after December 2014.

150. Thus, delays in releasing payments to the contractor resulted in delays in execution of the required work. In addition, management failed to ensure adherence to the terms of the contract relating to retention money and performance security.

151. The Administration stated that the delay in completion of the contract was attributed to delays in granting visas, customs clearance of materials and delivery of materials and technical defects that required rectification by the contractor.

152. The continuing instances of deviations from the Financial Regulations and Rules and the Procurement Manual in the evaluation of bid proposals, inconsistent application of provisions relating to liquidated damages and performance bonds and deficient contract management accentuate the concerns expressed by the Board in its previous reports regarding non-adherence to the principles and precepts of procurement as enunciated in the Financial Regulations and Rules and the Procurement Manual and the risk that the Organization is consequently exposed to in terms of both delay in delivery of goods and services required by field missions for the effective discharge of their mandates and potential financial losses arising from not being able to secure and enforce the discharge of contractual obligations by vendors.

153. The Administration stated that it would conduct an internal compliance review to ascertain the efficacy of the current stipulations of the Procurement Manual with regard to securities such as performance and bid bonds.

154. **The Board recommends that the Administration provide training and guidance and strengthen oversight and internal controls in the area of procurement to ensure adherence to the stipulations in the Procurement Manual relating, in particular, to the evaluation of bids, the securing of valid performance securities and the application of provisions relating to liquidated damages to secure the interests of the United Nations.**

Prompt payment discount

155. The prompt payment discount is the discount claimed by the missions for payments made to a contractor against an invoice within the period stipulated in the contract. In its previous report, the Board had highlighted that missions had not availed themselves of prompt payment discounts amounting to $536,368 on fuel supply contracts owing to delays in the processing of invoices. The Board had recommended in its previous report (A/69/5 (Vol. II), chap. II) that the payment procedures be streamlined so that prompt payment discounts could be claimed. In his report (A/69/781), the Secretary-General had stated that the non-utilization of prompt payment discounts was due mainly to problems experienced during the

deployment of Umoja at the missions and that the problems had subsequently been resolved.

156. The Board reviewed the contracts related to fuel purchase and rations procurement to examine if management was availing itself of the prompt payment discount in accordance with the contractual provisions. The Board noted the following:

(a) Prompt payment discounts amounting to $350,719 on fuel purchases were not claimed in four missions (MINUSMA, $253,746; UNISFA, $13,080; UNAMID, $73,875; and UNMISS, $10,018);

(b) UNISFA and UNMISS were eligible for prompt payment discounts at the rate of 0.17 per cent on supply of rations on the amount of any invoice or portion thereof which was paid within 30 days from receipt of the invoice. The missions were also eligible for an additional discount of 0.12 per cent if they opted for a weekly billing cycle. UNISFA could not take advantage of prompt payment discounts on rations supplies amounting to $3,876 owing to delays by the Rations Unit and the Finance Section. UNMISS could not take advantage of a prompt payment discount amounting to $3,570;

(c) In UNAMID, different contracts provide for prompt payment discounts ranging from 0.25 per cent to 6 per cent for early payments. UNAMID had forgone prompt payment discounts of $166,505 under six contracts relating to logistics, transportation and construction. The Mission attributed the delays in making payments to the economic sanctions and restrictions of the Office of Foreign Assets Control. The Board noted that the delay was due to the time gap between the receipt of the invoices by the sections and the submission of the invoices after verification to the Finance Section for the processing of the payment.

157. Hence, the total amount of the discounts forgone owing to administrative and processing delays amounted to $524,670 under purchase of fuel, rations supply and other contracts during 2014/15. The Board observed that the delays were a matter of lack of coordination and that there was a need to process invoices and claims within stipulated timelines and fix accountability for losses to the Organization due to such internal causes.

158. **The Board's reiterates its earlier recommendation that the Administration ensure due coordination between sections dealing with procurement and contracting and approving authorities to ensure that early payments are made and the prompt payment discounts are secured.**

159. The Administration stated that missions were taking action to address the weaknesses identified by the Board and would closely monitor the payment process to ensure that prompt payment discounts were secured.

Regional Procurement Office

160. The Regional Procurement Office, established in Entebbe, Uganda, on 15 July 2010, now operates as an integral part of the Procurement Division reporting to the Chief of the Field Procurement Service at Headquarters. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted delays in the finalization of the joint acquisition plan and underutilization of regional systems contracts. In his report on the implementation of the Board's recommendations (A/69/781), the

Secretary-General had agreed on the need to finalize the joint acquisition plan before the start of the fiscal year. It had added that the Department of Field Support would continue to support efforts to increase the utilization rates for the regional systems contracts.

Regional acquisition plan

161. The Administration issued a framework policy for the Regional Procurement Office in September 2014, in which it was stipulated that the joint acquisition plan, now renamed the regional acquisition plan, would include goods/services common to all or a number of missions, as well as mission-specific requirements. To ensure timely preparation and approval of the regional acquisition plan, participating missions were required to provide a copy of their draft acquisition plan, based on draft budgets, by end of January each year.

162. The Board found that, in September 2015, the regional acquisition plan for the year 2015/16 had yet to be finalized and approved by the Steering Group. The delay in the finalization of the regional acquisition plan resulted in non-compliance with the established framework policy for the Regional Procurement Office and could also delay the commencement and finalization of acquisition processes, thereby adversely impacting the delivery of the goods/services and undermining the objectives of the regional acquisition plan.

163. The Administration informed the Board that the regional acquisition plan for 2015/16 had since been completed.

164. The Board also reviewed the status of implementation of the regional acquisition plan for the year 2014/15 and observed that out of 47 planned acquisition requirements, the process of procurement was finalized within the target completion date in only six cases (13 per cent) as shown in table II.13.

Table II.13
Status of implementation of the regional acquisition plan

Description	*Number of planned requirements*
Process completed within target completion date	6
Process completed after target completion date	5
Requirement cancelled by missions	10
Statement of works not received, even after expiry of target completion date	14
Negotiation ongoing/bid evaluation under process, even after expiry of target completion date	12
Total	**47**

165. Such lack of commitment on the part of the client missions to adhering to the timelines resulted in underachievement of the objective for which the Regional Procurement Office had been established.

Utilization of regional systems contracts

166. The Board has highlighted the underutilization of regional systems contracts in its previous reports. The Board noted that the average utilization of the regional systems contracts increased from 32 per cent in 2013/14 to 35 per cent in 2014/15. While the increase is encouraging, there remains scope for improvement. The objective of consolidating the common requirements of individual missions into regional systems contracts to achieve economies of scale has yet to be achieved.

167. The Administration informed the Board that the Regional Procurement Office would continue to reach out to the client missions by periodically distributing contracts catalogues so that the missions were informed about all of the regional systems contracts available.

168. The Board reiterates its earlier recommendation that the Administration ensure timely finalization of the regional acquisition plan and continue to actively encourage utilization of regional systems contracts.

9. Management of construction projects

169. In its previous report (A/69/5 (Vol. II), chap. II), the Board had recommended that missions strengthen their procedures for the planning and implementation of construction contracts to factor in all foreseeable environmental and security factors that may impinge upon execution of the work and conduct a proper feasibility study and a detailed project report before proposing project timelines to ensure that they are realistic and practical. The Secretary-General, in his report on the implementation of the Board's recommendations (A/69/781), had stated that the implementation of guidelines on the governance of major construction projects would improve the management of construction projects in the missions.

170. Taking note of the response of the Administration, the Board further reviewed the management of construction projects during 2014/15. Its findings are presented in the paragraphs below.

171. During the period 2014/15, UNISFA targeted the completion of two large construction projects, namely, the paving of the airstrip at the Anthony Airport ($4.57 million) and the relocation of helipads outside the Abyei headquarters perimeter ($4.58 million). The mission also planned: (a) the construction of Bolloum Bridge through outsourcing ($0.90 million); (b) an in-house construction project with the help of contract labour ($0.53 million); and (c) construction projects of the Regional Service Centre in Entebbe ($0.48 million). The total budget for these projects was $11.06 million.

172. The Board noted that the mission could complete only the Anthony Airport project in June 2015, after a delay of 19 months. The project to relocate the helipads to outside the Abyei headquarters had not been undertaken. The in-house project had been held up since May 2013 owing to lack of construction materials.

173. Of 14 contracts with a total value of $20.20 million reviewed during the audit, the Board noticed delays in 11 contracts valued at $16.87 million. The delays were due to the non-availability of material, defects and the rainy season. It was evident that delays could have been mitigated by better and more realistic planning, factoring in the rainy seasons and foreseeable local factors, such as the availability of building material.

174. UNMISS approved 65 projects as mission priority projects in different locations. The mission completed 32 of those projects (49 per cent) and 10 projects (16 per cent) were ongoing. Twenty-one projects (32 per cent) were classified as held up and two projects (3 per cent) were cancelled. The total expenditure on 65 projects as at the end of August 2015 was $37.62 million. These projects were to be completed during the period from February 2015 to August 2015.

175. Of the 10 ongoing projects involving an expenditure of $19.50 million, 2 were related to troop surge, 1 was related to staff welfare and 7 were related to infrastructure and security in Malakal, Bor and Torit. The Board noted that the project at Malakal for accommodation for a formed police unit, which commenced in April 2015, was delayed from its stipulated completion date of August 2015 as the Mission was facing issues of space clearance because a protection of civilians site existed in the planned location. Similarly, in Malakal, the construction of observation towers, fences and security lights at protection of civilian camps, which was scheduled to be completed in April 2015, was delayed owing to the unavailability of cables and other electrical features, the purchase of which was being processed.

176. Of the 21 projects put on hold, 3 were related to troop surge and 2 to staff welfare, and 16 were infrastructure and security projects. Of those projects, the Board noted that in Bentiu, the construction of a light workshop at an estimated cost of $278,200 was put on hold, as the contractor had failed to mobilize resources. In Bor, procurement action was still to commence on an infrastructure project involving the digging of additional borewells (cost $60,000). Similarly, construction of additional accommodation units for staff in Wau was put on hold owing to lack of prefabricated units.

177. The Board also noted cases in which the contractor had delayed the commencement of work after signing the contract:

(a) A contract for construction of a transport workshop in Bentiu amounting to $95,934 was awarded to a firm in June 2015. However, the contractor had yet to commence work in September 2015. The contractor has been warned and the Mission intends to cancel this contract and award it to the next lowest bidder;

(b) A contract for construction of warehouse rub hall flooring at Bentiu and Malakal amounting to $235,633 was awarded to a firm in June 2015. The contractor declined to sign the contract and it was cancelled on 30 June 2015. UNMISS stated that it would engage with the next lowest bidder.

178. From a sample of 220 projects with a value of $12.7 million in MONUSCO, the Board noted that 9 projects, worth $2.2 million (17 per cent), were completed after delays of 30 to 270 days from their targeted completion dates and 1 project that was to be completed on 1 January 2015 was suspended after 13 per cent completion (August 2015).

179. The Administration stated that the implementation of the plan depended on the evolving situation on the ground and that it did consider weather conditions, road access and flooding during the planning and execution process. Nevertheless, Mission management had strengthened its process of management of construction projects, including evaluation and selection of contractors by introducing bid bonds for all construction contracts.

180. The Board noted that the delay in the instances highlighted above were attributable to poor planning and timing of projects and lack of proper selection of contractors coupled with not enforcing performance of the contractual obligations by the contractors, rather than to any change in the Mission's mandate. This was accentuated in some of the instances by inadequate synchronization of linked activities, such as ensuring the availability of necessary materials (cables, prefabricated units, etc.) and site clearances, to enable timely execution and completion of the work.

181. The Board recommends that missions: (a) prepare their annual construction plans in a more realistic manner, taking into account all foreseeable factors and local conditions, and thereafter ensure their timely implementation through strict monitoring to resolve any impediment that may arise; (b) strengthen the process of evaluation and selection of contractors; (c) enforce execution of contracts in accordance with the contractual stipulations; and (d) ensure due coordination of various linked activities, such as procurement and obtaining site clearances, with the work schedule of the projects.

182. The Administration stated that supplemental guidance on the governance of major construction projects in field missions was issued in October 2015 to all peacekeeping and special political missions. In pursuance of the Board's recommendation, missions had also initiated steps, including the establishment of an integrated planning team, timely preparation of annual construction plans and the establishment of a standard operating procedure on project and contract management and project management groups for enforcing execution of contracts and strategic level oversight.

10. Quick-impact projects

183. Quick-impact projects are small-scale, rapidly implementable projects that are used by United Nations peacekeeping operations to establish and build confidence in the mission, its mandate and the peace process, thereby facilitating an environment conducive to effective mandate implementation. Achievement of this objective requires the proper selection of projects and expeditious approval and release of funds, followed by monitoring to ensure completion within the stipulated time frame.

184. In its previous report (A/69/5 (Vol. II), chap. II), the Board had reviewed the implementation of quick-impact projects at MINUSMA, UNISFA, UNAMID, UNMISS and MINUSTAH and highlighted various delays and deficiencies, such as the delay in the selection and grant of approval of projects, delay in the release of funds to implementing agencies, poor execution and the lack of effective monitoring. The Secretary-General, in his report on the implementation of the Board's recommendations (A/69/781), had stated that the Department of Peacekeeping Operations provided guidance on policy and good practices to missions in the implementation of quick-impact projects and individual missions were responsible for ensuring policy compliance, identifying and resolving bottlenecks, monitoring and supporting the evaluation of impact and effectiveness. He had added that missions would strictly implement the policies prescribed by the Department of Peacekeeping Operations/Department of Field Support in this regard.

185. The Board continued its review of implementation of quick-impact projects by field missions and noted that the weaknesses highlighted earlier continued to persist, as described in the following paragraphs.

Delay in the selection and approval of projects

186. UNAMID had a budget of $2 million for quick-impact projects during 2014/15. There were delays in the receipt of the project proposals and their approval. Of 34 projects for 2014/15, the proposal for 1 project was received in February 2015, 20 projects in March 2015 and 13 projects in April 2015. The delay in receipt of the project proposals had led to delays in subsequent approvals and entering into memorandums of understanding with the executing agencies of the quick-impact projects. The number of days from the date of approval of the project to the signing of memorandums of understanding with the executing agencies ranged from 12 to 46 days.

187. The Administration stated that the late approval of the mission budget and the transfer of the management of the quick-impact projects to the Civil Affairs Section in December 2014 had contributed to the delay in selecting projects.

Delay in the release of funds

188. According to the extant policy on quick-impact projects, advance payment for projects should normally be released within 10 working days from the date of signature of the memorandum of understanding. The date of receipt of the first advance payment by the implementing partner would be the official date of commencement of the project. The policy further stipulates that the first instalment not exceeding 80 per cent of the total cost of the project must be paid immediately to the executing agency upon signing the memorandum of understanding. Quick-impact projects are expected to be completed within the respective financial year. Delay in the release of first advance has a direct adverse impact on the objective and rationale of quick-impact projects, in as much the implementing partners are not able to commence the project according the envisaged timeline. However, the Board found delays in the release of funds to executing agencies, as described below:

(a) In MINUSMA, there was a delay ranging from 1 to 123 days in the release of the first advance to 62 implementing partners of the 93 memorandums of understanding signed for the implementation of quick-impact projects. The Mission attributed the delay to the prevailing law and order situation and coordination problems between its Budget and Finance and Quick-impact Project sections. The Board noted, however, that while the implementation of projects could be affected by local security conditions, the issue here was the release of the advance after the signing of the memorandum of understanding, which was an internal process of the Mission;

(b) UNAMID had obligated funds for only 29 of the 34 approved quick-impact projects and that, too, in the final two months of the financial period (May and June 2015). In five of these projects, the first instalment was disbursed only on 29 and 30 June, which were the final two days of the fiscal year. Funds for the five projects were not released at all and the projects had yet to commence as at 30 June 2015. Only 3 of 29 projects approved for the fiscal year were completed at the end of the June 2015. UNAMID attributed the delays in the disbursal of funds to the

unavailability of the Umoja certifying officer and technical glitches with respect to the identity credentials of vendors or business partners in the system;

(c) In UNMISS, 17 quick-impact projects were approved for 2014/15. There were delays in the release of the first instalment to the implementing partners after the signing of the memorandum of understanding in all these projects. While all the memorandums of understanding were signed in January 2015, the first instalments of funds were released during the period 5 March to 7 May 2015. This was attributed to delays in the transfer of funds from the Mission's bank account to the implementing partner's bank account and delays in the registration of implementing partners as business partners in Umoja;

(d) In UNISFA, 18 quick-impact projects were approved by the Project Review Committee and the Head of Mission only on 10 June 2015, for a total cost of $486,354. An advance to the implementing partners amounting to $395,112 was released towards the end of the financial year on 29 and 30 June 2015. Hence, the mission did not consider the implementation of quick-impact projects for almost nine months and the first step was taken towards the selection of the projects only in May 2015, which resulted in the non-completion of the projects even as at August 2015.

Delay in the execution and completion of projects

189. During 2014/15, UNMISS allocated a total amount of $1 million for quick-impact projects. A total of 17 projects costing $745,274 were approved by the mission. The Project Review Committee recommended these projects in its meeting of October and December 2014 and memorandums of understanding were signed with the implementing partners in January 2015. The projects were to be completed in 180 days from the date of the signing of the memorandums of understanding. A total sum of $560,317 was disbursed to the implementing partners by the mission as the first instalment and $118,976 as the second instalment. Of the 17 approved projects, 12 projects costing $498,780 had been completed. We noted that:

(a) Of the 12 completed projects, 8 projects costing $348,780 stated to be completed had yet to be formally handed over by the implementing partners, as they were still to submit the accounts and records for these projects to the mission;

(b) Of the five incomplete projects, two projects with an approved value of $94,916, namely, construction of the health centre in Juba (costing $45,000) and construction of the Peace Youth Centre in Bor (costing $49,916) had been rolled over to 2015/16. The latter project was delayed owing to the security situation in Jonglei State;

(c) Three projects[8] costing $104,580 were left uncompleted and no second instalment (20 per cent) was paid to the implementing partners, as they had expressed their inability to carry forward the project owing to security concerns in Unity State. The projects would be revived when the security situation improved. To date, funds amounting to $104,580 remained blocked in the uncompleted projects.

190. In UNAMID, the Board noted delays in completing the pending projects of the previous fiscal years of 2012/13 and 2013/14. Twelve projects approved in 2012/13

[8] (a) Integrated project on income-generating activities for women; (b) energy-saving household stoves; and (c) theatre for peace and reconciliation.

and 46 projects approved in 2013/14 were completed in the current fiscal year. An amount of $49,598 related to 2012/13 projects and $0.68 million related to 2013/14 was spent in 2014/15. There were delays of more than 6 months and 12 months in completing some quick-impact projects, as against the stipulated time of 6 months for implementation.

191. UNMIL planned to implement a total of 58 projects during the year. Of these projects, 45 (costing $694,595) were implemented and completed, 12 (costing $249,906) were ongoing and 1 (costing $19,752) was not implemented. In one project, although funds had been disbursed during the financial year 2013/14, in June 2014, project implementation commenced only in July 2015, contrary to the guidelines on quick-impact projects, which require projects to be completed within the respective financial years. Another project that had started in September 2014 with a completion date of 10 December 2014, was stalled, although it had already received 80 per cent of the funds, amounting to $19,752. As at 30 June 2015, 12 projects that had started between September 2014 and June 2015 were still in progress.

192. The Board acknowledges the difficult circumstances and challenging areas in which quick-impact projects are implemented. However, this only underlines the need for proper assessment and selection of projects and for the implementing partners to include an assessment of the feasibility of the projects that takes into account the security situation and other relevant factors so as to ensure that only those projects are taken up for implementation that can be reasonably expected to be completed in accordance with the guidelines on quick-impact projects.

Inadequate monitoring and review

193. According to the guidelines on quick-impact projects, an annual evaluation of the overall quick-impact projects programme should be carried out by the project review committee of the mission to assess whether the projects were implemented in areas relevant to the mission's mandate, to establish trust and support on the part of the local population. The policy also requires that the quick-impact project management team, in coordination with the project review committee, conduct annual evaluations of the quick-impact project programme to determine its impact and identify lessons learned. The Board noted the following:

(*c*) The Board reviewed 47 of 145 quick-impact projects in MONUSCO for the financial period 2014/15. Of these, monitoring for 29 projects had not been conducted during the year 2014/15. In addition, cancelled or postponed projects had increased from none in 2012/13 to 14 projects in 2014/15; the number of completed projects had decreased from 68 projects in 2012/13 to 10 projects in 2014/15 and the number of ongoing projects had increased from 45 projects in 2012/13 to 114 projects in 2014/15. The Board observes that monitoring and evaluation were not adequate to ensure the timely completion of the projects and delivery of the expected benefits;

(b) In UNAMID, no evaluation of the quick-impact project programme had been conducted until the time of audit. The mission stated that the recruitment of a consultant for evaluating the programme was under way and would be completed by the end of November 2015;

(c) In UNISFA, no annual evaluation of the quick-impact project programmes had been carried out by the quick-impact project management team;

(d) UNMISS had yet to carry out an annual evaluation of the projects implemented during 2013/14.

194. **The Board recommends that the missions: (a) ensure timely action in the beginning of the financial year for the selection and approval of quick-impact projects, taking into account all factors affecting implementation so that the projects are completed within the targeted time; (b) improve internal coordination between its Budget and Finance and Quick-Impact Projects sections to ensure the timely release of payments; and (c) enhance project monitoring and evaluation.**

195. The Administration stated that missions had commenced corrective actions. The Department of Peacekeeping Operations/Department of Field Support had also sent a directive to the concerned missions requesting them to identify bottlenecks in the implementation of quick-impact projects and develop mission-specific standard operating procedures to address the challenges identified.

11. Management of human resources

196. The effective management of human resources is critical to the organization's ability to achieve its objectives by ensuring that the field missions as well as headquarters' formations have the right number of staff with the right skills and requisite motivation in the right locations. This includes the appropriate staffing as well as the periodic appraisal and review of performance and staff requirements.

Delays in recruitment

197. The standard operating procedure for staff selection for peacekeeping operations requires that the Chief Civilian Personnel Officer, together with the Field Personnel Operations Service, develop a recruitment plan at the start of each budget cycle, which ensures that the current and projected vacant posts are filled in a timely manner with critical positions being prioritized. The Board noted delays in recruitment resulting in posts remaining vacant for prolonged periods, which had the potential of adversely affecting the ability of the formations to discharge their functions in a timely and effective manner.

198. The authorized strength of the international and national staff at UNMISS was 908 and 1,512, respectively. There were 159 vacancies (18 per cent) in international staff and 351 vacancies (23 per cent) in national staff. The vacancy rate of 18 per cent for international staff was higher than the internal target of 8 to 12 per cent set by the Mission according to its human resources management scorecard. Senior positions at the D-1 level (six posts) and P-5 level (nine posts) had still to be filled. These included positions such as the Chief, Supply Chain; Chief of Engineering; and Senior Human Rights Officer. The Mission had identified 370 vacant posts under general staff that needed to be filled. Of these, 274 posts have been advertised and 96 posts (26 per cent) had yet to be even advertised as at 12 August 2015. Of the 274 posts advertised, 145 vacancies have been filled.

199. The Regional Service Centre in Entebbe had an authorized staff strength of 402, of which 81 posts (20 per cent) were vacant as at 30 June 2015 with the

vacancy percentage in the Professional category being as high as 60 per cent, as shown in table II.14.

Table II.14
Statement of manpower position as at 30 June 2015

Personnel category	*Authorized manpower strength*	*Actual manpower as at 30 June 2015*	*Vacancies*	
			(number)	*(percentage)*
P-5	5	2	3	60
P-4	16	14	2	13
P-3	21	13	8	38
P-2/1	4	3	1	25
Total	**46**	**32**	**14**	**30**

(*Source*: Regional Service Centre in Entebbe).

200. The Board observed that vacancies, particularly in senior positions, weaken oversight and cause delays in decision-making. For example, one of the reasons for the delay in completing the mission priority projects and engineering projects was the vacancy of the post of Chief of Engineering for nearly two years.

201. **The Board recommends that the Administration ensure that missions and the Regional Service Centre in Entebbe review the vacancies and prioritize recruitment in a time-bound manner.**

202. The Administration stated that the Regional Service Centre in Entebbe and the missions were taking action to address the recommendation.

Deficiencies in performance appraisal

203. According to the Staff Rules and Staff Regulations of the United Nations, staff performance is to be appraised periodically to ensure that the required standards of performance are met. The Board, in its previous report (A/69/5 (Vol. II), chap. II), had pointed out a lack of regularity in performance appraisals and the engagement of individual contractors and consultants beyond the requirements. The Secretary-General, in his report on the implementation of the Board's recommendations (A/69/781), had stated that a monitoring framework for e-performance appraisal had been introduced, which had improved the completion rate of appraisals.

204. In UNMIL, the Board noted that performance appraisals for 157 of 1,240 staff (13 per cent) had not been conducted during 2014/15. The 157 staff who were not assessed in 2014/15 included 24 staff who were also not assessed in 2012/13 or 2013/14. Further, the Mission promoted staff and extended their contracts even if they had not completed their e-performance appraisal process, as required by regulation 1.3 of the Staff Regulations.

205. The administrative instruction on consultants and individual contractors requires that missions conduct a formal output evaluation of consultants and individual contractors at the time of completion of their assignment on a designated form, with the result of evaluation being recorded in the rosters maintained by the respective mission for consideration in future contracts. The Board noted that

UNSOA extended contract durations of 19 contractors for a period ranging from 9 to 37 months without conducting a formal output evaluation at the time of completion of their previous assignments.

206. Promoting staff and extending their contracts without appraising their performance increases the risk of retaining underperforming staff and of inefficiencies owing to the lack of an appropriate basis for performance measurement.

207. **The Board recommends that the Administration: (a) ensure that staff performance appraisals are performed and completed in accordance with the Staff Rules and Staff Regulations of the United Nations; and (b) evaluate and document the performance of all consultants and individual contractors for future reference, especially during the renewal of contracts.**

208. The Administration stated that the missions had acted on the recommendation and UNMIL had now completed e-performance reports for the 2014/15 reporting period. The Department of Field Support will monitor the Mission's compliance with the established requirements for the performance evaluation of staff and individual contractors.

12. Medical services

209. The availability of timely and effective medical services is important for the operational preparedness of peacekeeping missions and for the morale of its personnel. The budget appropriation for medical services for peacekeeping during 2014/15 was $42.1 million and the expenditure was $32.2 million (76 per cent). The Board reviewed the provision of medical services at various missions and identified a number of areas for improvement.

MINUSCA

210. MINUSCA had compiled a medical support plan to provide health services to its personnel. As against the approved budget appropriation of $2.04 million for 2014/15, the Mission incurred expenditure of $3.11 million. The Board noted the following:

(a) Targets relating to establishment of clinics, hospitals and other facilities had not been achieved, as depicted in table II.15;

Table II.15
Achievement against budgeted targets

	Emergency medical posts	*Clinics*	*Level I hospitals*	*Level II hospitals*	*HIV Unit*	*Integrated warehouse*	*Incinerator*
Required	5	1	23	3	1	1	1
Location	Bambari Bossangoa Bangassou Berberati Ndele	Bangui		Bangui Kaga Bandoro Bria		Bangui	Bangui
Available	None	None	10	2	None	None	None

Source: MINUSCA.

(b) Level I clinic facilities in Bangui were not established and cases requiring even basic primary treatment had to be dealt with by the only level II hospital in the city, thereby compromising its ability to provide referral care, which is its primary responsibility;

(c) The Medical Support Plan has three aero-medical evacuation teams, to be located at Bangui, Kaga Bandoro and Bria. While the teams at Bangui and Kaga Bandoro were functional, the team at Bria has yet to be deployed since facilities for positioning of aircraft at Bria is incomplete. This impacts the response time as the flying time from Bangui to Bria is 2.5 hours by helicopter.

UNISFA

211. According to the Medical Support Manual, a level I medical unit should have adequate medical supplies and consumables for up to 60 days. The manpower requirements prescribed for a level I medical unit is two medical officers, six paramedics/nurses and three support staff. The level I unit is supposed to perform basic field diagnostic and laboratory tests. Although a level I unit was operating in Abeyi, it was short four paramedics/nurses. A post of laboratory technician had remained vacant for a long period. In addition, the medical unit was not equipped with a basic field laboratory. A medical autoclave had been uninstalled since its procurement owing merely to the lack of a user manual. A medical autoclave is a basic requirement of any medical facility because its primary function is to sterilize equipment and supplies. As a result of this shortage of paramedical personnel and medical equipment, the level I clinic was not able to provide the requisite level of medical service to UNISFA staff. During the year, the mission had to refer to the level II clinic 351 patients who should have treated at the level I clinic.

212. The Administration stated that the laboratory would be established in February 2016 when the recently selected laboratory technician joined the unit, and this would reduce the number of patients being referred to the level II medical clinic. It added that the user manual for the autoclave had been received in September 2015, and the installation had been completed by 30 November 2015.

UNMISS

213. UNMISS prepared a mission medical support plan that envisaged the development of a hospital management information system entitled "Eartmed" to ensure efficiency, proper record-keeping and ease of access to medical records. The Board noticed that though the Plan had been prepared in October 2013, Eartmed had yet to be rolled out in the Mission, although funds were not a constraint, with underutilization of $1.43 million in the subclass "Acquisition of software package" under "Information technology".

214. The Administration stated that the planned roll-out of Eartmed had been delayed, owing in part to the security situation in the mission following the December 2013 crisis and in part to difficulties experienced by the United Nations Headquarters technical team.

MINUSTAH

215. The timely delivery of medical supplies is essential to ensure the proper medical treatment of personnel at missions. The Board noted delays ranging from

17 to 400 days (in one case) in the delivery of medical supplies in 13 of 21 purchase orders (62 per cent) with reference to the dates of delivery stipulated in the purchase orders. The value of the delayed medical supplies was $184,175. Furthermore, no liquidated damages were imposed on the vendors for the delays, in accordance with the provisions of the contract.

216. **The Board recommends that missions: (a) ensure the optimal utilization of available resources for the provision of appropriate medical support to field personnel; (b) roll out the hospital information management system at all missions within a fixed time frame; and (c) improve procurement practices relating to medical supplies.**

217. The Administration stated that the missions had taken action to improve medical support to field personnel and shortfalls in medical personnel had largely been rectified. The AMETs in MINUSCA was made operational as at 1 September 2015, a solicitation process was ongoing at United Nations Headquarters to award the new United Nations systems contracts for medical goods and the hospital information management system was expected to be implemented by 30 June 2016.

13. Environmental protection and waste management

218. The Environmental Policy for United Nations field missions issued by the Department of Peacekeeping Operations and the Department of Field Support (DFS) requires that each field mission should establish its environmental policy and objectives and control measures which are to be implemented through all phases of the mission. This policy was developed in consultation with UNEP to fulfil a need for minimum standards for missions on environmental issues. It was envisaged that each field mission would take action to integrate environmental measures into its planning and operations to avoid and minimize the impact of its activities on the environment and to protect human health from such environmental impact. It requires that each field mission issue a waste management directive and establish a waste management plan that is to be implemented, recorded and monitored through all phases of the mission under the responsibility of the head of mission as part of its overall environmental management system.

219. The Department of Peacekeeping Operations and the Department of Field Support also issued a waste management policy for field missions in which "waste" is defined as any substance, agent, effluent, object, material or equipment to be discarded, destroyed or disposed of, that has been generated through any United Nations field mission operation, activity or process. The definition includes solid waste (including non-hazardous, hazardous and medical waste) and liquid waste. It noted that improper waste management causes adverse impacts on human health, operational efficiency, safety and security, and on the natural environment.

Action plan for environmental protection at MINUSCA

220. UNEP conducted an assessment of MINUSCA and submitted a report in December 2014 that stressed the need to develop plans to process and dispose of wastewater and solid waste. United Nations Headquarters instructed the Mission in February 2015 to draw up an action plan to implement the report. During the audit, the Board noted that no action plan had been drawn up nor was there any onsite treatment mechanism or effluent treatment plant, even in Bangui.

221. The Administration stated that the mission had been working on an action plan that was expected to be completed by 31 December 2015. Furthermore, wastewater treatment plants were expected to be delivered by 31 December 2015.

222. The Board emphasizes the need for a greater sense of urgency in establishing environmental protection facilities in accordance with the guidelines. Failure to do so may expose the Administration to significant financial and reputational risks in the event of any environmental damage or discharge of hazardous waste.

Storage of solid waste and oil at UNMIL

223. According to the Environmental Policy for United Nations field missions, units or sections are required to take practicable measures to ensure that waste generation is minimized, segregated at the source and hazardous wastes are handled in an environmentally sound manner. Missions are encouraged to generate less waste and thereby reduce the amount of waste that goes through disposal. Department of Peacekeeping Operations/Department of Field Support fuel operations for peacekeeping missions require that storage area for waste oil must comply with local and national laws regarding the environment.

224. The Board found that waste, including written-off batteries, 420 communications and information technology equipment, 28 supply assets in sea containers, 112 scrap vehicles, 3,850 used tyres, 100 broken pieces of furniture and 51,000 litres of used oil and lubricants had been lying in an open yard for a long period of time. The Mission had a contractual arrangement for scrap metal removal, which expired on 31 July 2015.

225. Poor storage practices and delays in the disposal of waste are contrary to the purpose and intent of the environmental and waste management policies of the Department of Peacekeeping Operations and Department of Field Support and need to be addressed as a matter of urgency.

Inadequate mechanism for implementing the environmental policy at UNSOA

226. The environmental policy for United Nations field missions requires that the Environmental Officer create an environmental action plan on the basis of the mission's environmental objectives, detailing specific time-bound targets for environmental protection measures and actions. The responsibility for achieving each specific target is to be clearly stated in the plan.

227. The Board noted that the mission had approved its environmental objectives on 11 June 2014, covering around 13 specific environmental objectives. However, the mission lacked an action plan for addressing how the objectives would be achieved. For example, there were no details such as activities planned, targets set and time frame. The lack of a road map that lists actions to be done, the responsible person and the resources required as well as effective monitoring will delay effective and timely compliance with the requirements of the environmental policy.

228. According to the policy, each mission is also required to undertake an environmental baseline study of all mission locations at the start of the mission. A baseline study is an audit of the environmental conditions at a specific location at a specific moment in time. The baseline study is to be updated by periodic assessments to reveal environmental conditions that are improving and those that are deteriorating.

229. UNSOA had six sectors in its area of operations. Within each sector, there are regional hubs that are under construction. These regional hubs are going to be used as centres for providing logistical support to AMISOM. The Board noted that only one assessment had been conducted in 2010, covering one sector. There were no environmental baseline studies for other locations undertaken by the mission. Furthermore, there was no evidence as to whether the study conducted in 2010 was being periodically updated.

230. UNSOA stated that it was in the process of establishing a partnership with other entities such as UNEP to develop and implement a plan for the required environmental activities and that it had included an environmental compliance unit in the proposed staffing requirements for the 2016/2017 financial period.

231. The Board observed that as UNSOA was expanding in support of AMISOM, it was crucial for the mission to undertake and periodically update the baseline studies of all mission locations.

232. **The Board recommends that: (a) MINUSCA expedite and implement the action plan based on the UNEP report and United Nations guidelines with clear timelines for completion that should also be suitably reflected in its budget projections; (b) UNMIL ensure waste minimization through the disposal of solid waste and compliance with the environmental policy; and (c) UNSOA develop a plan for undertaking and updating environmental baseline studies of all mission locations and develop an effective mechanism for the monitoring of the requirements of the environmental policy.**

233. The Administration stated that it had taken note of the findings of the Board and would strive towards rectification of the issues. It added that following the recommendations, the Department of Field Support had entered into a consultancy agreement with UNEP for a total amount of $6.95 million.

14. Enterprise risk management

234. Consistent with best international standards and practices, enterprise risk management is defined as the process of coordinated activities designed to direct and control an organization with regard to risk and the effect of uncertainty on objectives. It provides a systematic approach to identifying, analysing, addressing and monitoring risks to the achievement of an organization's goals by providing the means for taking cognizance of the known and anticipated impact of likely risks and developing practicable options for constructive countermeasures. Existence of effective enterprise risk management is particularly crucial for entities operating in the volatile and challenging environments typical of peacekeeping missions.

Regional Service Centre in Entebbe

235. The Regional Service Centre in Entebbe represents a key pillar in the global field support service delivery model. The shift of transactional functions from the regional missions to the Regional Service Centre is governed by a six-step process that includes a risk management framework that identifies risks and mitigation areas so as to ensure the fullest level of efficiency and effectiveness in the delivery of services. The core responsibilities of the Regional Service Centre must have the assurance of continuity of operations in time of crisis or disaster to maintain an optimal level of service to meet the needs of the participating missions.

236. The Board's review of the risk assessment report of Regional Service Centre in Entebbe, prepared in January 2013, revealed that 45 per cent of all critical business processes were identified as having weak safeguards or barriers with no mitigation controls, although they were rated as high-risk. Furthermore, the timelines proposed for mitigation measures were not met, as described below:

- The identified risk for engineering had to be mitigated by January-March 2013 through the installation of remote controls for quick fault finding. This has not been done
- Mitigation control for communications and information technology had to be completed by April-June 2013 through acquiring the services of a third service provider, but the tasks remained incomplete
- Proposed mitigation measures for other identified risks such as human resources, natural disasters, airport and military base, crime and medical, have not yet been implemented.

237. Thus, the identified risks had not been addressed effectively through timely mitigation measures. The lack of an effective risk management system may compromise the achievement of the objectives of Regional Service Centre in Entebbe.

Enterprise risk management in missions

238. The Department of Field Support is in the process of rolling out an enterprise risk management plan across United Nations peacekeeping missions. As part of this process, risk registers provide a basis for logging identified risks to enable them to be managed in a structured way. Enterprise risk management is an important mechanism to ensure that operational risks are identified and managed and that mitigation plans are kept under regular review.

239. The Department of Field Support had identified 10 missions as part of phase I of the implementation of enterprise risk management by November 2015. This implementation phase required the production of a structured risk register for which the Department had circulated a standard template. Further phases of enterprise risk management would then establish common arrangements across missions for monitoring and updating risks. UNDOF and UNIFIL were identified for the implementation of phase I.

240. The Board noted that of five missions reviewed by it for enterprise risk management, three missions, namely, MINURSO, UNDOF and UNOCI, did not have risk register in place. UNIFICYP and UNIFIL were in the process of developing the risk register. In MINURSO, a strategic planning exercise has recently taken place that might provide a starting point for a more formalized risk management. Although the missions were aware of the risks they faced and were taking some actions, without structured and clear documentation, there was a chance that some key strategic or operational risks would not be recognized or that known risks were not being systematically managed and mitigated.

241. The Administration stated that it had adopted a phased approach to the implementation of enterprise risk management in missions and the Regional Service Centre in Entebbe. The first phase of implementation had started in the Global Service Centre, UNMIL, UNMIK, UNSOS and UNIFIL, which was expected to be

completed in the first quarter of 2016. Thereafter, the Department of Field Support would support the Regional Service Centre and the remaining missions in aligning their risk management practices with the Organization's enterprise risk management policy and guidelines.

242. **The Board recommends that all missions and service centres complete the development of structured risk registers as part of the implementation of enterprise risk management in accordance with the Department of Peacekeeping Operations/Department of Field Support guidelines, monitor and update the risks and take steps to mitigate them by making it part of the senior management review and decision-making.**

C. Implementation of the global field support strategy

243. The Board has been regularly reporting on the progress of implementation of the global field support strategy in its previous reports. The Advisory Committee on Administrative and Budgetary Questions requested the Board, on 31 July 2015, to conduct an independent certification of the reported costs and quantitative benefits of the strategy in the context of its audit of the final performance report on the implementation of the strategy, including the long-range passenger initiative and to include its findings in its next report on peacekeeping operations.

1. Progress achieved in the implementation of the global field support strategy

244. The global field support strategy, as a business transformation strategy, was based on four pillars, namely: (a) financial framework and strategic resourcing; (b) human resources; (c) supply chain management and modularization; and (d) shared services (service centres). While acknowledging the progress that had been achieved, the Board, in its previous report (A/69/5 (Vol. II), chap. II), had stated that concerted efforts were required by the Administration to ensure that the end-state vision and key performance indicators were realized for each pillar by the end of the implementation period in June 2015.

245. The Board reviewed the progress of the global field support strategy in its final year of implementation and noted the following significant achievements, as summarized in table II.16.

Table II.16
Progress made under each pillar of the global field support strategy during 2014/15

Pillar	*Main activities*	*Main areas of progress*
Financial framework and strategic resourcing	Cost reductions, expedited financing mechanisms, cost benefit tools, compliance with IPSAS and alignment with Umoja	• Reduction in average cost per uniformed personnel by about 12 per cent in real terms • Budgeted operational costs reduced by about $90 million at end of the implementation period • Two missions, UNMEER and MENUB, gained access to pre-mandate commitment authority within 15 days • Full compliance with IPSAS and working towards the alignment of financial functions in line with Umoja implementation
Human resources	Workforce planning, recruitment through rosters and better retention, succession management	Progress noted in: • Development of the workforce planning user guide • Engagement with troop- and police-contributing countries • Development of the Senior Women Talent Pipeline • Development of a succession management plan • Development of reports under business intelligence
Shared services	Support services to mission, client satisfaction, performance monitoring through key performance indicators across the service lines	• The Regional Service Centre in Entebbe continued to deliver the agreed services to 11 missions • Continuous performance monitoring system put in place that was generating monthly performance reports through the Centre's Quality Management Unit along all the service lines • Client surveys conducted every six months that were used to analyse customer satisfaction mission-wide across the service lines for identifying areas requiring improvement, which were then regularly discussed in meetings of the Regional Service Centre
Supply chain management and modularization	Acquisition planning, asset management, clearing house functions, development and deployment of modules, development of enabling capacities	• Supply chain strategy and vision approved in May 2015 • Road map for the implementation of supply chain management approved and four small pilot projects initiated • Second revision of 50- and 1,000-person camp design and third revision of 200-person camp design completed • Detailed package for logistics base and air base completed • Third revision of module designs completed for energy, wastewater management and water supply

246. The Administration stated that substantial progress had been achieved during the global field support strategy implementation period and the shortcomings of the

strategy should be evaluated in the context of its overall success. The Administration recognizes, however, the need for further improvement and it intends to put even greater emphasis on enhanced guidance, planning, monitoring and review as it advances towards a shared vision for field support.

247. The Board acknowledges the substantial progress achieved by the Administration in various aspects of the global field support strategy over the five years of its implementation period, as reported in the Board's report of the previous year as well as in the reports of prior years. In addition to the progress reflected in table II.16 above, the Board noted that new mission structures had been communicated to all missions in November 2014 and a transition matrix had been prepared for mainstreaming of global field support strategy initiatives and activities. Improvements in functioning were also observed in MINURSO and UNFICYP in the use of information and communications technology and aviation safety. However, the fact remains that the end-state vision for each pillar that had been envisaged at the completion of the five-year period of implementation has not been fully achieved and there are shortfalls. While there were challenges in implementing various facets of the global field support strategy arising from competing operational demands, limited manpower resources and the almost parallel implementation of other organization-wide initiatives such as Umoja, these have to be viewed in the context of the five-year implementation period wherein it should have been possible for the Administration to coordinate, prioritize and plan its activities in such a manner so as to ensure that the essential objectives of the strategy were achieved and anticipated benefits were empirically identified and demonstrated to all stakeholders.

2. Programme management

Delay in the articulation of an overall vision and strategy for implementation

248. The General Assembly, in its resolution 64/269, had underlined the need for clear guidelines that included timelines for key activities and project deliverables as well as benchmarks and baseline information, quality requirements and service tools for measuring efficiency gains and monitoring progress. The Advisory Committee on Administrative and Budgetary Questions, in its report (A/64/660), had also observed that effective governance and project management arrangements were essential for successful implementation on time and within budget.

249. The Board observed that although governance and performance management had been identified as key elements that were to be established at the beginning of the implementation period of the global field support strategy, the end-state vision and the key performance indicators had been introduced in the second and third years of implementation. Refinement of the key performance indicators and the end-state vision and strengthening of tools of governance and management continued until the penultimate year. The vision and mission document, which should be the initial articulation of the broader goal and should form part of the communication strategy in the early stages of planning for providing clear direction and purpose, was targeted as an activity for completion in the fourth quarter of the fourth year. Ultimately, no such document was finalized. The formulation of a strategic management implementation plan, risk management plan and change management and communication strategy were pushed to the latter half of implementation. Articulation of the end-state vision and strategy for the implementation of the global

field support strategy at the initial stage of the implementation period would have facilitated the achievement of the end-state vision.

Lack of effective guidance and monitoring

250. The Board has been highlighting through its previous reports the lack of regular meetings of the Global Field Support Strategy Steering Committee, which was the primary body to provide overall guidance and correctives, where necessary, for the timely implementation of the overall strategy. The Board had noted in its previous report (A/69/5 (Vol. II), chap. II) that, despite its findings, the Steering Committee had met only once during 2013/14 in September 2013 and had recommended that given the fact that the strategy was now in the penultimate year of its implementation, the Committee should meet regularly to ensure that the implementation strategy was on track. The Secretary-General, in his report on the implementation of the recommendations of the Board (A/69/781), had stated that the Steering Committee remained an important body for providing advice and recommendations in support of management's direction and execution of the strategy and that regular meetings of the Steering Committee would be held for the remainder of the implementation period.

251. However, the Board noted that even during 2014/15, the Steering Committee had met just once, in November 2014, when it had only emphasized the need to carry forward the global field support strategy tools, without specifically reviewing the progress, shortfalls, risks and their mitigation. The Steering Committee met again in August 2015 only for formal closure after the implementation period of the strategy.

252. The Administration stated that it did not believe that the number of formal, senior-level meetings was a measure for effective and efficient coordinated implementation. In the latter phase of implementation of the global field support strategy, the Department of Field Support had prioritized coordinated implementation on the basis of line responsibilities whereby each division/service centre had assigned focal points coordinating their divisional inputs for their Directors, including updating the programme implementation plan. In addition, the Strategic Project Oversight Committee was established during 2014/15 and it had met twice to provide coordinated planning of activities at a more operational level, including a transition approach for the period following the implementation of the strategy.

253. The Board considers that a prerequisite for the timely implementation of a wide-ranging strategy with the depth and scope as the global field support strategy is regular monitoring and overall strategic guidance in a structured manner, along with intervention, when required, to ensure correctives and prioritization, taking into account evolving circumstances so as to ensure the achievement of the primary objectives of the strategy and the accruing of the anticipated benefits. This was all the more imperative in the final years of the implementation period, particularly in view of the shortfalls in progress under the various pillars. The lack of periodic monitoring and review of the progress of implementation of the strategy by the institutional mechanism established for that purpose detracted from its effective and timely implementation. The need for such institutionalized and structured monitoring is illustrated by the delay in finalizing the mission and vision for the period following the implementation of the global field support strategy that was part of the mainstreaming and forward planning pillar of the strategy.

Programme implementation plan

254. A programme implementation plan had been developed in May 2013, consisting of 12 main activities and 176 sub-activities. The plan was intended to serve as a monitoring tool to track the progress of various activities identified under the overall umbrella of the global field support strategy. In its previous report (A/69/5 (Vol. II), chap. II), the Board had noted that 75 out of the 176 sub-activities had yet to be completed in the 10 months that remained of the implementation period.

255. The Board noted that the programme implementation plan was not being regularly updated and hence it could not serve as an effective tool for monitoring progress. The plan was updated only in February 2015 with just four months remaining of the implementation period. Of the 75 pending sub-activities noted by the Board in its previous report, 40 sub-activities were shown as pending. Subsequently, the Administration informed the Board that 11 sub-activities were currently pending.

256. The Administration stated that after the final updating of the programme implementation plan in February 2015, a matrix of transition responsibilities had been developed to provide clarity on responsibilities for transition/mainstreaming tasks. The Administration added that henceforth it would be the responsibility of line management to ensure that transition and mainstreaming activities were implemented.

Mainstreaming and forward planning

257. The transition matrix for mainstreaming the remaining activities of the global field support strategy listed 22 activities for mainstreaming, 2 as having ended, 5 as changing and 2 for which decisions were pending. The Administration intended to monitor these ongoing initiatives within an overall strategic programme management approach, keeping in view that the global field support strategy was not a project per se, but a strategy that would be mainstreamed into the business processes of the Department of Field Support in the years to come. Towards that end, the Global Service Centre Steering Committee was disbanded and the Strategic Project Oversight Committee formed to serve as the project oversight and decision-making entity for projects under the global field support strategy and other projects of a cross-cutting nature.

258. The Board had observed, in its previous report (A/69/5 (Vol. II), chap. II), that while it recognized that the global field support strategy is more a strategy than a project, the successful implementation of even a strategy required the identification of specific activities to be completed within stipulated time frames and their strict monitoring. The lack of effective and timely monitoring and guidance contributed to delays in the implementation of the strategy and the non-achievement of many of the stipulated targets. In this context, the Board noted that the Strategic Project Oversight Committee, which had been constituted in the fourth year of implementation of the global field support strategy, had also held just one meeting so far during 2014/15, in February 2015. Hence, while the Board acknowledges the efforts made by the Department of Field Support in mapping mainstreaming activities through the transition matrix, it is important to ensure diligent monitoring and timely interventions to ensure concrete and perceptible progress using the performance measurement and other tools tested and developed in the course of the

five years of implementation of the strategy. These improvements should also be embedded in business processes in day-to-day functioning, through inclusion in manuals and standard operating procedures.

259. The Board recommends that: (a) mainstreaming activities be monitored through documented regular meetings of the Strategic Project Oversight Committee and other institutional mechanisms to ensure timely and effective risk mitigation and mid-course corrections; and (b) the global field support strategy approaches and tools identified for mainstreaming be embedded in the relevant standard operating procedures and manuals so that their benefits may be realized.

260. The Administration stated that it was reviewing the use of its management forums to ensure a more structured and effective use of the forums available and that corrective action had been taken in pursuance of the recommendation by way of the development of a global field support strategy start-up tools checklist for inclusion in the revised Department of Peacekeeping Operations/Department of Field Support mission start-up field guide.

3. Financial framework and strategic resourcing pillar

261. The financial framework and strategic resourcing pillar of the global field support strategy was developed to enable field missions to consistently respond to emerging priorities and deliver resource efficiencies in line with the demands of complex operational environments. This included standardized resourcing models with expanded access to strategic reserves and improved resource management, reporting and accountability frameworks in conjunction with the implementation of IPSAS and Umoja.

Resource efficiency group

262. The resource efficiency group had been set up to identify opportunities for significant efficiency gains in peacekeeping operations both at the mission level and at headquarters. The Board, in its previous report (A/69/5 (Vol. II), chap. II), had highlighted that the resource efficiency group had not met since July 2012 and had recommended that the group should be reconstituted with a clearly defined role and responsibilities complementing other structures already in place to ensure the regular review of efficiency measures across the field. The Secretary-General, in his report (A/69/781), had stated that the Department of Field Support would initiate the reconstitution of the group or charge another review body with the same cross-cutting responsibilities.

263. However, no steps were subsequently initiated to either reconstitute the resource efficiency group or charge another review body to discharge this function of identifying and following through on identified efficiencies. In the absence of a structured mechanism, it is possible that opportunities for effecting efficiencies have been lost. Furthermore, had the recommendation been properly implemented, there would have been a more credible assessment of the efficiency gains claimed by the Administration.

264. The Administration maintained that despite the format of the resource efficiency group not being used, the function that the group was initially established to serve was being pursued through multiple other processes.

265. The Board selected 5 of 10 projects that were reported to be completed and noted the following:

(a) In the project of mapping of actual outsourcing results across field operations and the application of lessons learned and opportunities, the assessment study/tool that assists assessment and recommendations covering outsourcing had actually yet to be mapped/completed;

(b) In the project of the review of stock levels across missions and disposal of surplus stock, the status of disposal of surplus stock across missions was not captured and efficiency gains in identification and disposal of surplus stock was not established;

(c) The Administration had projected annual savings of $1.11 million as a result of the closure of the United Nations Headquarters satellite earth station. The Board noted, however, that owing to technical limitations, certain equipment such as the private automatic branch exchange (PABX) and routing and connecting equipment remained in service even after the stated closure of the project. A subsequent project was to be undertaken, in coordination with the Office of Information and Communications Technology and the United Nations Global Service Centre at Brindisi/Valencia to phase out this equipment. However, further details as to whether this remaining equipment was actually disposed of and whether the projected annual savings took into account the continuing equipment was not evident.

266. The Administration stated that the Department of Field Support had transferred the responsibility for the satellite earth station and associated activities and resources to the Office of Information and Communications Technology during the 2013/14 financial period, with a projected savings of $1.01 million. PABX, routing and connecting equipment were maintained by the Office and the Department to run crypto-fax traffic that requires special types of analogue lines. The Department was working in close cooperation with the Office to migrate all the crypto traffic to digital format (Internet protocol) and this would be finalized by early 2016.

267. The lack of regular functioning of the resource efficiency group or any other body to clearly identify and follow up on identified efficiencies did not enable a clear identification of the efficiency gains that may or may not have been achieved. This undermines any assessment of benefits that could be stated to have accrued as a result of the implementation of the global field support strategy.

268. The Board recommends that, in the period following the implementation of the global field support strategy, clear institutional mechanisms be established to assess and report periodically on the efficiencies achieved.

269. The Administration concurred that monitoring and reporting of efficiencies should be improved so as to allow better visibility of the outcome for Member States.

4. Human resources pillar

270. The human resources framework pillar of global field support strategy was developed to enable field missions to acquire the required civilian staff and non-staff capacity through optimized business processes, appropriate delegations of authority and effective monitoring systems while sustaining staff productivity

through programmes that promoted security and safety, enhanced the quality of life and provided opportunities for development.

Workforce planning

271. A workforce planning framework was envisaged as one of the end states to be achieved by the conclusion of the implementation period for the global field support strategy in June 2015. The Board noted the following:

(a) The workforce planning team of the Department of Field Support had collaborated with the Office of Human Resources Management to devise a global strategy for workforce planning. In the meantime, in September 2013, the General Assembly approved the Global Mobility and Career Development Framework and the Office decided to link the implementation of the global strategy for workforce planning with the implementation of mobility. The end-state vision, as originally conceptualized under the global field support strategy has yet to be realized;

(b) It was envisaged that a user guide that had been developed as the workforce planning tool would be tested in at least two missions by 30 June 2015. The Board noted that the pilot in the two missions was in the nature of feedback/survey and the testing of the workforce planning tools by way of actual workforce planning using the templates had not been carried out. Furthermore, the user guide was at the draft stage and had yet to be formally approved for universal application;

(c) Demand and supply indicators for all job families were to be developed, along with a gap analysis. The Board noted that the demand and supply template that had been developed was not specific to each job family. The Administration stated that they recognized that a more accurate mapping of gaps would be beneficial for workforce planning purposes and they would refine this tool;

(d) Civilian staffing reviews were described as the vanguard effort of the Department of Field Support on workforce planning for field missions. The Board noted that there was no mechanism available to the senior management to monitor whether all recommendations of staffing review were being followed up.

272. The Administration stated that the implementation of the workforce planning framework had been significantly impacted by major organizational initiatives such as the Global Mobility and Career Development Framework and other human resources reforms. Nevertheless, the development of a framework for workforce planning for field missions remained a priority for the Department of Field Support.

273. While acknowledging the steps taken by the Administration, the fact remained that the workforce planning framework, as envisaged under the global field support strategy that was to have been completed by June 2015, had yet to be achieved.

Recruitment and vacancies

274. It was envisaged that well-populated rosters would be established to meet the needs of the field missions. It was stipulated that 85 to 90 per cent of selections for field mission assignments would be made through these rosters. The Administration stated that 1,069 of a total of 1,153 selections were recruited from rosters. While the progress achieved is substantial, there remained scope for improvement in the quality of the rosters and in the expeditious filling up of vacancies at various levels. The Board noted that in 2014/15, there were 175 instances of failed recruits from

rosters. While the Administration stated that the vacancy rates for national staff were 13.9 per cent and 21.5 per cent for international staff, bringing the overall vacancy rate for all missions to 16.5 per cent, these averages did not reflect the reality of vacancy rates in individual missions where the position was uneven. The Board noted from the latest human resources management scorecard indicator that nine peacekeeping missions were falling short of the targeted vacancy rate of international staff and six missions were falling short of the target for national staff.

275. The Administration stated that recruitment from rosters was never envisaged to be the only way to fill vacancies and a position-specific job opening might be a better way to fill a vacancy for new disciplines. The Department of Field Support had developed guidelines and templates to assist missions in identifying whether vacancies should be filled through rosters or the position-specific job opening process and to commit the right level of resources to ensure that the recruitment process was completed in a timely manner.

Succession management plan

276. A succession management plan was to be defined to provide a framework for building capacity by developing talent and leadership capacities at all levels of staff. The Administration stated that the end state has been achieved and the succession management plan was complete and under implementation. While an implementation plan for the succession management plan had been prepared, the Board noted the following:

(a) A deliverable defined under the succession management plan was that a skills inventory and gap analysis would be completed for five key positions by 30 June 2015. Against this target, only the skill inventory and gap analysis of chief human resource officers had been completed. Even this skills inventory and gap analysis had not been subjected to the rigorous skills inventory and gap analysis envisaged for chiefs of missions as part of the succession management plan;

(b) The original target of compiling a skills inventory of 50 per cent of the current international staff and mapping gaps had not been achieved. The work was ongoing on skills inventory for Director/Chief of Mission Support and the Deputy Director/Chief of Mission Support;

(c) This activity also included the 100 per cent profiling and certification of chief human resources officers by the end of June 2015. Against this original target, the timeline for completion had been pushed back to 2017/18. The Administration stated that the certification programme involved the design and implementation of a series of courses leading to certification at different levels, which was a time-intensive exercise, and hence the extension of the implementation period.

277. The Administration stated that it had undertaken a substantive review of available skills and mapping of existing gaps at the chief human resources officer level, in line with parallel classification, mobility and recruitment efforts.

Monitoring and accountability framework

278. It was envisaged that a monitoring concept and accountability framework would have been completed for 100 per cent of field missions by the end of the implementation period of the global field support strategy. The Board noted that, although the product was ready, it had yet to be validated before dissemination. The

Administration attributed the delay to a number of factors, mainly the roll-out of Umoja and Inspira, the difficulty in identifying a specialist and the realignment of the Field Personnel Division of the Department of Field Support.

279. The Board observed that the realignment of the structure of the Field Personnel Division was a known and identified integral element of the global field support strategy and should have been factored into the development of the monitoring concept and accountability framework. Given that the product was ready to be finalized by August 2014, there was a delay in appointing a suitable specialist. Furthermore, the existing arrangements for monitoring delegated human resource authorities have not been functioning adequately and there was an element of urgency attached to the completion and dissemination of the monitoring and accountability framework so as to mitigate the risks associated with lack of an adequate monitoring arrangement for delegated authorities.

280. Hence, key elements of the human resources pillar such as those relating to workforce planning, the succession management plan, the filling in of vacancies and a monitoring and accountability framework have yet to be achieved.

281. The Administration attributed the delay in completing the monitoring and accountability framework to the roll-out of Umoja and Inspira, which was beyond the control of the Department of Field Support.

282. **The Board recommends that: (a) the implementation of the workforce planning framework progress in a time-bound manner; (b) steps be initiated to improve the quality and robustness of the rosters and expedite the process of filling vacancies in missions; (c) the activities relating to the succession management plan be completed in a time-bound manner, especially the compiling of a skills inventory and the reprofiling and certification of posts; and (d) steps be initiated to validate the monitoring and accountability framework.**

283. The Administration stated that a workforce planning framework was being implemented through the launch of the workforce planning user guide and online workforce planning course. The Department of Field Support was also focused on other areas of workforce planning, such as providing guidance on government-provided personnel and the use of United Nations Volunteers. A template to monitor civilian staffing review recommendations had been developed and support was being provided to missions to fill key positions in a timely manner. The Department was committed to completing the activities relating to the succession management concept and the monitoring and accountability framework in a timely manner.

5. Supply chain management and modularization

284. The supply chain and modularization pillar was to deliver an end state wherein field missions would be supported through improved goods and services sourcing, including by drawing on a range of deployable individual modules and enabling capacities, enhanced global asset management and an optimized material management system. It was envisaged that by the end of June 2015, there would be a more efficient management of global assets, optimization of cargo and freight from centralized locations and robust acquisition planning and strategic deployment stocks, enabling faster delivery of supplies.

Supply chain management strategy and road map

285. In August 2012, the Department of Field Support had commenced a formal process of developing a comprehensive supply chain management strategy. In its previous report (A/69/5 (Vol. II), chap. II), the Board had highlighted delays in various component activities in reforming the existing supply chain management system and had recommended that steps be taken to set up a vision, strategy and road map for supply chain reforms at the earliest. Concurring with the recommendation, the Secretary-General, in his report (A/69/781), had stated that an action plan would be in place by June 2015 on how to ensure the implementation and mainstreaming of supply chain management reform in policies and business processes. In accordance with this assurance, a strategy document for supply chain management and road map were approved by the Administration in May 2015. However, this left no time for its implementation before the completion of the implementation period of the global field support strategy in June 2015, as had been originally envisaged. The Board noted that the delay was attributable mainly to the lack of delineation of roles and responsibilities in the beginning and no project coordinator being identified.

286. The Administration accepted that there had been an initial delay in taking forward the supply chain management pillar targets and the achievement of the end state. However, starting from June 2014, the Logistics Support Division had made efforts to rationalize the entire process. The first phase of the transition to the supply chain structure was now slated for 2016/17 for which each mission was restructuring to reflect supply chain needs.

287. The Board observed that the delay in initiating concrete action at the commencement of the implementation period of the global field support strategy had resulted in the non-achievement of the originally envisaged end state under this pillar. While the Board acknowledges that the Administration has since 2014 taken steps to firm up the action plan and road map, it would be necessary to now carry it forward in a time-bound manner by establishing and monitoring target dates for various activities under the action plan.

Modularization

288. The objective of modularization is to provide the capacity to rapidly build up facilities in the field by deploying a range of individual basic modules that can be configured to address the specific requirements of different deployments. A test of the success achieved in the development of modules is their acceptance and actual deployment in field missions. During 2012/13 to 2014/15, the number of missions that used the services of standardized modules and/or their components is shown in table II.17.

Table II.17
Missions using standardized modules

Year	*Number of missions benefited*	*Number of modules ordered by missions*[a]
2012/13	4	28
2013/14	10	133
2014/15	16	51

Source: Audit analysis of data provided by the United Nations Global Service Centre.
[a] Component of a module is also taken as a module.

289. The Board noted a spike in the use of the modules in 2013/14 compared with 2012/13, followed by a sharp decrease in 2014/15. The Board also observed that two modules, namely, the infrastructure module and the recreation and welfare module, were not used by missions during the years from 2012/13 to 2014/15. The United Nations Global Service Centre explained that the large number of modules ordered by missions in 2013/14 was attributable to two large mission start-ups (MINUSCA and MINUSMA) and an emergency situation in UNMISS. The Board observed that, excluding the spike as explained by the Administration, there had been an increase in the use and deployment of modules since 2012/13, which testified to the utility of the modules developed by the Global Service Centre. However, the Administration could usefully examine why some modules developed by the Global Service Centre had not been deployed or used so as to either optimize their design to meet mission requirements or discontinue efforts in their development.

290. The Administration stated that the deployment of modules was purely demand-driven by the field missions requesting the modules. Some modules have not been ordered by missions since 2012 because there may have been no need. In line with the strategic deployment stocks composition review, the Global Service Centre would review the demand for modules that had not been requested and, as a consequence, might determine that certain modules be removed, bearing in mind the overall modularization concept.

Enabling capacity

291. Enabling capacity is the labour and expertise required in order to install, build, set up and commission modules. The Board, in its previous report (A/69/5 (Vol. II), chap. II), had highlighted delays under various elements of this activity and recommended that the enabling capacities project be expedited to ensure that service packages could be seamlessly implemented in the field. The Secretary-General, in his report (A/69/781), had stated that the Global Service Centre was conducting a pilot project in three missions (UNIFIL, MONUSCO and UNOCI) and had created a database for global mission support teams. The Global Service Centre had engaged with the Department of Field Support and the Procurement Division at United Nations Headquarters with regard to commercial enabling capacity.

292. The initial deadline for provision of the road map for the implementation of additional enabling capacities for field support was extended from 31 October 2014 to 15 May 2015. The Board noted that the road map for implementation was still under development. In so far as the three pilot projects were concerned, the results of the pilot project were not endorsed by the Strategic Project Oversight Committee

when presented to them. The Board also found that the risk register that had been updated in February 2015 indicated that there were three ongoing areas of implementation: (a) system contracts to be reviewed by the Logistics Support Division, (b) engagement with troop-contributing countries, and (c) UNOPS engagement-delegation to the Department of Field Support from the Department of Management. Hence, the Board could not identify any significant developing of enabling capacities as envisaged under the global field support strategy.

293. The Administration stated that it would take considerable time to implement a supply chain management transition and the determination of specific timelines would be subject to the completion of certain preparatory/parallel work, including the completion of pilot projects, the mapping of existing processes and determining the process "to be".

294. **The Board recommends that the Administration: (a) determine specific timelines for the implementation of the strategy document for supply chain management and the road map and monitor the target dates for various activities; (b) examine why some modules developed by the Global Service Centre had not been deployed so as to optimize their design to meet mission requirements; and (c) finalize the road map for the implementation of additional enabling capacities for field support.**

6. Shared services pillar

295. The shared services pillar was intended to enable missions to receive consistent, timely, efficient and effective support services through streamlined and standardized service delivery of non-location dependent functions from remote locations determined on the basis of a business case analysis. The principal institutional element of this pillar is the Regional Service Centre in Entebbe.

United Nations Global Service Centre

296. The primary role of the Global Service Centre is to provide the expertise and support required by the missions under various activities for them to efficiently execute their mandates. The Global Service Centre provides, on request, mission support teams to missions to assist the missions in a range of activities, including logistics, communications and information technology services and administrative functions. The strategic plan for the global field support strategy modularization pillar from August 2013 to June 2015 provided for the establishment of a range of skilled enabling capacities to rapidly deploy to field missions to construct/install modules/facilities. The Global Service Centre was to develop an implementation plan and pilot this project with missions during 2014/15. Furthermore, the Global Service Centre was to review systems contracts to determine the types of enabling capacities, pricing and conditions.

297. The Board noted that the findings of the initial project on the pilot study on global mission support teams were presented to the Strategic Projects Oversight Committee on 27 February 2015 and it was subsequently decided that a revised proposal and options should be prepared. The Global Service Centre informed the Board that the pilot project for global mission support teams was not successful and therefore was discontinued. Hence, the implementation plan that was to be developed within 2014/15 has yet to be formulated. The Board observed that, in the absence of the implementation plan, the Global Service Centre might not be in a

position to provide the requisite skilled enabling capacities to missions for the construction or installation of modules and facilities, as and when required.

298. In his report on the overview of the financing of peacekeeping operations (A/69/751/Rev.1), the Secretary-General stated that there was cost avoidance of $12.97 million on account of the transfer of assets processed directly through the Global Service Centre clearing house, as shown in table II.18.

Table II.18
Inter-mission transfers

Serial number	*From*	*To*	*Description*	*Date*	*Value (Millions of United States dollars)*
1.	UNISFA	UNMISS	6x20 sea containers	18 April 2014	0.03
2.	MINUSTAH	UNMISS	Tents	10 January 2014	0.38
3.	MINUSTAH	UNMISS	Water bladders and tents	13 February 2014	0.83
4.	UNIPSIL	UNMIL	Gen-sets	10 October 2013	0.30
5.	UNAMID	UNISFA	100-men kitchen, prefabricated 3-module	4 September 2013	0.15
6.	UNAMID	UNMISS	Bailey bridges	3 September 2013	0.25
7.	UNAMID	UNMISS	Prefabricated accommodation	27 May 2014	4.34
8.	UNAMID	MINUSCA	Prefabricated accommodation	27 May 2014	5.33
9.	UNAMID	BINUCA	Prefabs and gen-sets	21 January 2014	0.44
10.	UNAMID	BINUCA	1 prefabricated 3-module	13 February 2014	0.02
11.	UNAMID	BINUCA	Prefabs	20 April 2014	0.90
Total					**12.97**

Source: Information provided by the Global Service Centre.

299. The Global Service Centre could provide calculations of cost avoidance for only four inter-mission transfers for audit, namely, those at serial numbers 7, 8, 10 and 11 in table II.18 above. The Board noted that the amount was calculated on the basis of the purchase value and not as per the depreciated value. For instance, the depreciated value of the prefabricated accommodation building modules transferred from UNAMID to MINUSCA (serial number 8 above) was $2.49 million, whereas its purchase value was $5.34 million and this latter figure has been considered as saving on account of cost avoidance.

300. The Administration stated that the overall responsibility for the establishment of global systems contracts currently rests with the Logistics Support Division in the Department of Field Support. The Administration added that the cost avoidance in this instance relates to the receiving mission avoiding a new purchase which would have occurred absent the policy on asset transfers.

301. The Board is of the opinion that for the purpose of identifying savings, depicting cost avoidance on the basis of the purchase value is not correct because the transferring mission had used the assets and the receiving mission will be using their remaining useful life. The depreciated value of the assets transferred through the Global Service Centre clearing house should be taken into account for

calculating the amount of cost avoidance. Thus, the amount of cost avoidance of almost $12.97 million on account of transfer of assets is an inflated figure to the extent of the amount of depreciation on the assets transferred.

302. **The Board recommends that the Administration: (a) develop the implementation plan to provide a range of skilled enabling capacities to field missions for the construction or installation of modules and facilities; and (b) review the systems contracts to determine the types of enabling capacities, pricing and conditions as planned in the strategic plan for the global field support strategy modularization pillar.**

Regional Service Centre in Entebbe

303. The Regional Service Centre in Entebbe was established to consolidate the routine back office administrative and support functions from geographically grouped field missions. The Board noted the following:

(a) Many missions receiving services from the Regional Service Centre had yet to transfer all the functions to them as at 30 June 2015, as shown in table II.19:

Table II.19
Functions not transferred from missions to the Regional Service Centre in Entebbe

Service lines	*Number of missions that have not transferred*
Vendor payment	2
Entitlement travel	3
Travel for meeting and training	2
Cashier	7
Onboarding and separation	9
United Nations Volunteers	8
Uniformed personnel	5
Financial reporting	3

Source: Regional Service Centre in Entebbe.

The Administration stated that the Regional Service Centre in Entebbe Steering Committee, which comprises of the leadership of client missions and the Department of Field Support, had the overall responsibility of guiding the transfer of functions and that a transition plan had been put in place;

(b) The shared services pillar end-state sought to realize improved performance by end of June 2015 by means of targeted key performance indicators that were defined in the service level agreements signed with the missions. The Board noted that of 50 key performance indicators, the stipulated performance targets had been achieved in respect of 33 indicators (66 per cent) and was not achieved in respect of 17 indicators (34 per cent). Of the 17 key performance indicators not achieved, there was improvement in 6 and no improvement in respect of 11 as detailed in table II.20:

Table II.20
Performance monitoring through key performance indicators at the Regional Service Centre in Entebbe

Service line or unit	*Number of key performance indicators*	*Achieved performance target*	*Target not achieved but performance improved*	*Neither target achieved nor performance improved*
Vendors	2	1	–	1
Entitlement travel	3	1	2	–
Education grant	3	3	–	–
Claims	2	–	–	2
Travel for meeting and training	5	1	1	3
Cashier	2	2	–	–
Onboarding and separation	6	3	3	0
United Nations Volunteers	4	4	–	–
Civilian benefits and payroll	4	2	–	2
National staff	4	4	–	–
Uniformed personnel	5	4	–	1
Regional Training and Conference Centre	1	–	–	1
Financial reporting	3	3	–	–
Transportation and Movements Integrated Control Centre	2	2	–	–
Regional Information and Communication Technology Section	4	3	–	1
Total	**50**	**33**	**6**	**11**
Percentage	100	66	12	22

Source: Regional Service Centre in Entebbe.

(c) A review of the performance in specific service lines indicated (a) the vendor payment service line did not capture all the activities from end to end of the process beginning from the missions to the Regional Service Centre, and (b) delays ranging from four weeks onwards in processing claims relating to education grants and other claims;

(d) The Advisory Committee on Administrative and Budgetary Questions, in its report containing observations and recommendations on cross-cutting issues related to peacekeeping operations (A/65/743), had recommended that the Regional Service Centre should conduct customer satisfaction surveys to track the performance of the Centre. The Board, in its previous report (A/69/5 (Vol. II), chap. II), had noted that while two surveys had been conducted in July 2013 and February 2014, there was ambiguity in the wording of the categories of levels of satisfaction as well as a tendency to interpret the results in an unduly optimistic manner and that the true levels of satisfaction were significantly lower than those reported. The Secretary-General, in his report (A/69/781), had agreed that it would publish client satisfaction survey results with greater accuracy and transparency so that they can better serve the intended purpose of acting as indicators for remedial action. The Regional Service Centre had developed a methodology for conducting more representative client satisfaction surveys that ensured greater accuracy and

transparency. Using the revised methodology, Regional Service Centre had conducted two client and staff satisfaction surveys in September 2014 and March 2015 and reported that the overall satisfaction increased from 39 per cent last year to 57 per cent. However, it was still well below the key performance indicator customer satisfaction level of 80 per cent.

304. **The Board recommends that the Administration: (a) expedite the completion of transfer of services from the missions to the Regional Service Centre in Entebbe as originally envisaged; and (b) review the definition of service lines so as to ensure that it captures the end-to-end process.**

305. While accepting part (a) of the recommendation, the Administration stated that Regional Service Centre in Entebbe had already defined the service lines by developing terms of reference for each. The Board notes that a clear end-to-end definition of service lines would sort out the problems of coordination and delays.

7. Long-range wide-body airlift initiative

306. In his overview report (A/68/731), the Secretary-General had stated that the use of wide-body aircraft long-term service agreement has resulted in operational and cost efficiencies of more than $8 million in addition to providing greater flexibility in operations and greater comfort to the passengers.

307. A long-term air charter contract was signed with a carrier on 31 July 2012 for a period of two years, extendable by one year at a not-to-exceed cost of $82.05 million. The guaranteed hours were 2,820 hours per annum. The Board noted that against the required traffic load[9] of 29,750 kg, the carrier had indicated an average fuel consumption of 5,500 litres per hour (1,453 United States gallons per hour) based on operations of the aircraft on the carrier's network with 220 passenger seats and traffic load of 21,640 kg.[10] It was anticipated that the savings over the three-year period would be $24 million.

308. The Movement Control Section noticed in January 2013 that the fuel consumption was actually 6,362 litres per hour, which was higher than the consumption level of 5,500 litres per hour. The increase in fuel consumption resulted in a cost escalation of $4.66 million[11] and consequently the anticipated savings were reduced to that extent. This included 614 additional hours (not guaranteed) for the period from 15 September 2012 to 30 June 2015 worked out in excess by adopting a fuel price of $1.06 instead of $0.71 per litre. Hence, against the overall target of $22.33 million savings for this period on account of the use of the aircraft, the saving was reduced to $17.67 million. For a three-year period, it works out to $19 million against the anticipated reduction of $24 million. The carrier had agreed to reimburse the United Nations an amount of $3.58 million

[9] Minimum 230 passengers with an average of 55 kg of personal luggage each, 500 kg of general cargo and 500 kg of small arms and ammunition is equivalent to traffic load of 29,750 kg (230 passengers x 70 kg standard weight of each passenger+230 x 55 kg + 500 kg + 500 kg = 29,750 kg).

[10] Offered traffic load (190 economy passengers x 77 kg standard weight of each passenger, including 7 kg personal luggage+190 economy passengers x 20 kg + 30 business passengers x 30 kg = 21,640 kg).

[11] (700 litres x 2,820 hours x 3 years x $0.71 fuel price per litre and 700 litres x (9,074 - 8,460) hours x 3 years x $1.06 fuel price per litre = US$ 4,660,208); 9,074 is the actual hours flown from 15 September 2012 to 30 June 2015.

attributable to the higher fuel consumption rate over three years at the time of extension of the contract.

309. The Board observed that the anticipated cost savings were reduced owing to the inaccurate assessment of fuel consumption that should have been accurately assessed at the time of charter of the aircraft itself. Furthermore, while wide-bodied long-range aircraft does normally result in more efficient airlift arrangements, it also depends on the actual operating conditions, frequency of the airlifts and the load that is carried in terms of both passengers and cargo. A proper assessment of benefits of the long-range wide-body initiative can be made only when the cost of operations are juxtaposed and compared with the costs of current operations.

310. The Administration stated that adjusted for the different time periods, the initiative had delivered the expected savings. Regarding the excess fuel consumption, compensation had been obtained from the vendor by renegotiating rates for the final year of the contract. Furthermore, the new contract that came into effect on 1 November 2015 has a cap on the consumption rate whereby the organization will not reimburse fuel above the consumption rate level stipulated in the contract. It added that a comparative analysis between the past cost of operations and the cost of operations under the new contract brought out that the cost per flight hour in the new contract was 28 per cent cheaper than in the previous contract.

311. The Board has taken into account the whole contract duration of three years and noted that the projected annual savings on fuel would not be achieved. The new contracts entered into by the Department of Field Support and projected savings would be reviewed in the next audit cycle. In the light of the position brought out by Administration, the Board makes no recommendation at this stage.

8. Assessment of quantitative benefits reported

312. The General Assembly, in its resolution 64/269, had noted the overall concept of the global field support strategy, as contained in Secretary-General's report (A/64/633), and provided clear guidance for its implementation. It had requested for submission of annual progress reports on the implementation of the strategy that should include achievement in areas such as service delivery improvements, efficiency gains, cost savings and reduction in vacancy and turnover rates.

313. In his overview report, (A/69/751/Rev.1), the Secretary-General had stated that the cost of implementation of the global field support strategy up to 2013/14 was $19.40 million, while savings were $443.91 million, resulting in a net savings of $424.51 million.

314. To assess the accuracy and credibility of these assertions, the Board requested the Administration to provide a breakdown of these amounts, along with supporting documents. In response, the Administration provided a new set of figures that included amounts for the year 2014/15 as well as changes in the amounts previously reported for the period 2010/11 to 2013/14. The Board noted that there were instances in which the Administration was unable to provide a breakdown of amounts or documents to support the assumptions behind the amounts indicated as savings. The Board noted the following:

(a) The figures reported under the costs and savings were not the actual amounts but were only estimates based on the budget and a variety of assumptions;

(b) The figures of savings reported in the overview of the financing of peacekeeping operations referred to above have been changed in the details of revised benefits furnished to audit. For example, in Regional Service Centre in Entebbe, the cost of infrastructure in 2010/11 was reported as $82,000, but in the details it was found to be $5.04 million. In the savings on account of personnel in Regional Service Centre, the transfer differential was reported as $1.84 million, $9.91 million and $11.80 million for the years 2010/11, 2011/12 and 2012/13, respectively, which have now been scaled down to $1.09 million, $5.48 million and $8.78 million, respectively. Similarly, significant changes were noticed in the savings reported earlier under personnel items such as abolishment and avoidance in the Regional Service Centre and under "strategic deployment stocks reduction" and "consumption efficiencies" in asset management. Such constant fluidity in the figures does not provide assurance as to the actuality of the savings achieved.

315. Initially, the Administration could provide the breakdown of only $370.51 million against the net savings of $424.51 million reported in the report of the Secretary-General (A/69/751/Rev.1) for the four-year period from 2010/11 to 2013/14. After the final revision of costs and benefits, it provided a breakdown of only $393.39 million to the Board, as against the net savings of $435.28 million for the five-year period from 2010/11 to 2014/15. The variances are depicted in table II.21.

Table II.21
Variation in costs and savings reported to the General Assembly and the Board
(Millions of United States dollars)

	Costs	*Savings*	*Net savings*
Amount reported in A/69/751/Rev.1, annex I, table A.5 (2010/11 to 2013/14)	19.40	443.91	424.51
Breakdown/details provided to audit (2010/11 to 2013/14)	24.17	394.68	370.51
Variance	4.77 (20 per cent)	(49.23) (12 per cent)	(54.00) (15 per cent)
Revised amounts provided to audit (2010/11 to 2014/15)	28.73	464.01	435.28
Breakdown/details provided to audit (2010/11 to 2014/15)	25.65	421.60	393.39
Variance	(3.08) (12 per cent)	(42.41) (10 per cent)	(41.89) (11 per cent)

Source: Audit computation based on the information reported and provided by the Department of Field Support.

316. The Administration stated that it had employed a cost-benefit analysis approach that was based on comparing two scenarios: one that does not include the global field support strategy as a policy (the "do-nothing" counter-factual) against one that does ("with policy" scenario). Cost-benefit analysis is not an exact accounting method but is designed to reduce uncertainty around net benefits. The observation that the reported results of the global field support strategy are based on assumptions and could change is inherent in the method. The Department of Field Support has made significant efforts to verify previously reported information, including in response to audit observations. Such revisions have served to improve the accuracy of benefit estimates rather than detract from it. The Administration added that attaining 100 per cent accuracy in calculated net benefits that can be certified similar to financial statements is not viable. The implementation of the

global field support strategy has resulted in a large number of tangible and intangible benefits and there is no evidence to suggest that the strategy has not been net positive in financial terms. Moving forward, the Administration was committed to improving its cost-benefit analysis methodology by adopting available guidelines from public institutions as well as other organizations.

317. The Board agrees with the Administration that estimates and assumptions are used while adopting the cost-benefit analysis approach to decide whether a programme should be launched. However, the assumptions used to justify the launch of a programme is validated only after the implementation of the programmes on the basis of the results achieved. To state otherwise is really to undercut the justifications on the basis of which the programme was approved and launched. The Board notes that the Administration itself has quantified the benefits that have accrued on the implementation of the global field support strategy as part of benefits realization and it is incumbent upon it to establish the credibility and accuracy of those assertions. The articulation of theoretical principles cannot be a substitute for assessment of actual costs and savings leading to real quantitative benefits through a rigorous exercise capturing the necessary details. The reported figures are currently estimates based on the budget and cannot be construed to be actual realized benefits. Furthermore, the Board has highlighted instances where the Administration was not able to provide breakdown or documentation in support of those costs or benefits that have already been reported to the General Assembly.

318. The Board recognizes that the benefits of a business transformation strategy such as the global field support strategy may be both tangible and intangible. The intangible benefits would include the changing of set procedures and methodologies as well as approaches and work habits that would eventually lead to greater efficiencies and cost-effectiveness in the way that peacekeeping operations are managed and executed. Such benefits take time to accrue in a manner that would be demonstrable and concrete. The Board does not dispute that the implementation of the global field support strategy has strengthened and improved support services to field missions in many respects. However, there should have been a benefits realization plan that captures the actual costs and realized benefits on the basis of a consistent and objective methodology that can be empirically established. It has also to be recognized that, given the fact that important elements of the global field support strategy and the end-vision states as originally envisaged have yet to be realized, it may be too early to objectively assess the benefits. While the Board discerns improvements in some areas of the management of peacekeeping operations that would reduce costs, it is too early to give a definitive assessment or provide assurance as to the real costs and savings as reported by the Administration.

319. **The Board recommends that the Administration develop a cost-benefit analysis methodology, including benefits realization plans that can be empirically verified to provide assurance regarding the benefits that have accrued or are expected to accrue as a result of the implementation of the global field support strategy.**

320. The Administration stated that the Department of Field Support would strive to define a holistic cost-benefit analysis methodology that would ensure a consistent and transparent approach and would include a benefits realization plan and a tool to track benefits over time.

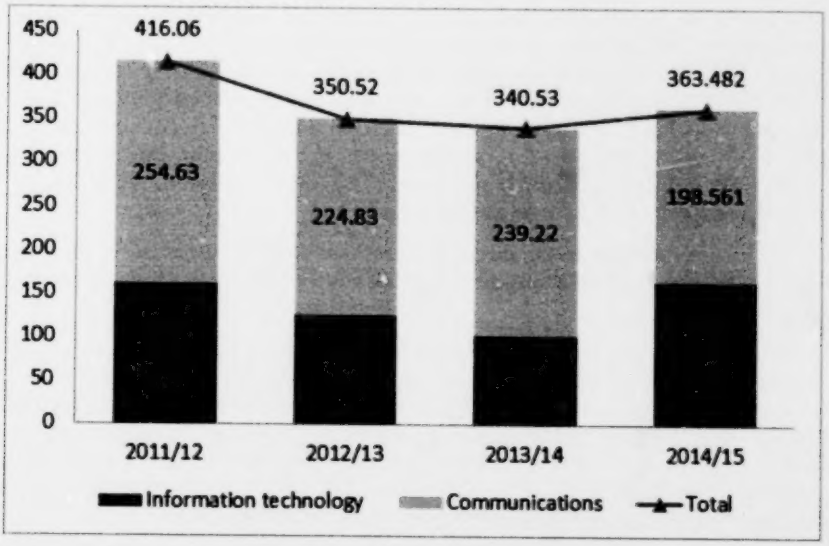
D. Information and communications technology resources in peacekeeping operations

321. The Board, in its previous report (A/69/5 (Vol. II), chap. II), had highlighted a number of issues relating to the deployment of ICT resources in peacekeeping operations, including the efficient and cost-effective utilization of resources, the setting of standards for procurement of ICT equipment, the procurement process and cybersecurity. We continued our examination both at the peacekeeping headquarters as well as in the field missions. While the issues raised earlier are being followed up through review of the implementation of the recommendations and need not be repeated, our additional findings are brought out in succeeding paragraphs.

1. Budget allocation

322. The budget allocation for ICT in peacekeeping for 2014/15, made under two budget lines, communications and information technology, was $363.48 million, which represented an increase of 6.7 per cent from $340.53 million in 2013/14, as shown in figure II.II.

Figure II.II
Budget allocation
(Millions of United States dollars)



Variances between budgetary allocations and expenditure

323. In its previous report, the Board had highlighted wide variances between the budget and actual expenditure across six missions, namely, UNISFA, UNMISS, MINUSMA, MONUSCO, UNAMID and UNIFIL and the Regional Service Centre in Entebbe. The Board had recommended that the Administration strengthen budgetary formulation and control mechanisms. The Secretary-General, in his report (A/69/781), had stated that this recommendation had been addressed through the performance reports that were issued by missions at the end of each fiscal period.

324. As part of its continuing focus on the deployment of ICT assets in peacekeeping, the Board looked at another six missions and continued to find wide variances between budgetary allocations and expenditure. The expenditure in these six missions is depicted in table II.22.

Table II.22
Expenditure on communications and information technology
(Millions of United States dollars)

	2014/15			*2013/14*		
Mission	*Communications*	*Information technology*	***Total***	*Communications*	*Information technology*	***Total***
UNOCI	4.62	7.60	**12.22**	4.62	5.38	**10.00**
UNIFIL	2.95	8.02	**10.97**	4.01	4.84	**8.85**
MINURSO	1.40	1.50	**2.90**	0.96	1.76	**2.72**
UNMIK	0.70	2.01	**2.71**	0.90	1.71	**2.61**
UNDOF	0.89	1.60	**2.49**	0.69	1.12	**1.81**
UNFICYP	0.60	1.33	**1.93**	0.49	0.89	**1.38**

Source: Financial statements of peacekeeping operations for 2014/15.

325. For 2014/15, the Board observed underspend in communications across these missions (except MINURSO) and overspend in four missions in information technology. The underspend ranged from 27 to 61 per cent in communications during 2014/15, whereas there was underspend of 14 and 17 per cent in UNOCI and MINURSO and overspend ranging from 8 to 31 per cent in information technology in the remaining missions. During 2013/14, the overspending in communications ranged from 14 to 45 per cent, whereas the underspending in information technology ranged from 24 to 75 per cent. This is indicative of poor budget formulation and management and weak financial control.

326. **The Board recommends that the Administration strengthen budgetary formulation and control mechanisms to reduce the variances between allocations and expenditure.**

327. The Administration stated that while most of the variances were attributable to the misalignment of the Umoja chart of accounts with the general ledger account codes/object codes, all missions would be requested to undertake a periodic review and analysis of budgets and expenditure, including systematic reporting of all unplanned expenditures or deviations from their results-based-budgeting frameworks.

2. Management of information and communications technology assets

328. According to the details of ICT assets as at 30 June 2015 as described in the Galileo inventory management system provided by Information and Communications Technology Division, there were 163,886 number of ICT assets, with a purchase value of $639.49 million. This comprised 87,962 communications assets, with a purchase value of $392.46 million, and 75,924 information technology assets, with purchase value of $247.03 million. The profile of ICT assets "put to use" and in "unit stock" as at 30 June 2015 was as shown in table II.23.

Table II.23
Profile of information and communications technology assets

Type of asset	*Put to use*	*In unit stock*
Communications assets	63,073 items ($292.80 million)	24,889 items ($99.66 million)
Information technology assets	56,526 items ($184.78 million)	19,398 items ($62.25 million)

Source: Information and Communications Technology Division.

329. The life expectancy has been fixed as four years for information technology assets and seven years for communications assets. We found that 50,573 ICT assets with a purchase value of $243 million had passed the life expectancy (16,065 communication assets valued at $128 million and 34,508 information technology assets valued at $115 million).

330. A detailed test check in two missions, MINUSMA and UNAMID, indicated that a large number of ICT assets were unutilized. We noted that 936 items valued at $6.02 million had not been utilized by UNAMID for two to three years and 22 items valued at $0.09 million had not been utilized for more than three years after procurement, as detailed in table II.24.

Table II.24
Non-utilization of information and communications technology items in UNAMID

Duration	*Number of items*	*Cost of items (millions of United States dollars)*
More than 3 years	22	0.09
2 to 3 years	936	6.02
1 to 2 years	432	1.07
6 months to 1 year	316	0.92

Source: Compiled from data provided by UNAMID (Geospatial Information and Telecommunications Technology Service).

331. We also noted 209 ICT items valued at $2.25 million that were never used since their procurement by the mission, as detailed in table II.25.

Table II.25
Information and communications technology items never utilized in UNAMID

Duration	*Number of items*	*Cost of items (millions of United States dollars)*
More than 1 year	116	1.58
6 months to 1 year	82	0.42
Less than 6 months	11	0.25
Total	**209**	**2.25**

Source: Compiled from data provided by UNAMID (Geospatial Information and Telecommunications Technology Service).

332. In addition, we found 2,582 ICT items with a depreciated value of $1.68 million being written off by the mission in 2014/15. That included 147 items with a depreciated value of $92,000 owing to theft and 112 items with a depreciated value of $84,000 being reportedly lost.

333. Similarly, of different categories of 2,559 items of ICT equipment in unit stock in MINUSMA, 1,952 items costing $3.29 million were not put to use from the date of their procurement/receipt in MINUSMA. Furthermore, 502 items of equipment were lying idle for more than six months. A total of 755 items of equipment costing $4.89 million (including 432 items costing $3.09 million currently in use) had passed their life expectancy.

334. The Administration stated that guidance has been issued to missions to ensure that the value of unutilized expendables was brought down to acceptable levels and requisition requests were authorised only if there were no similar items in surplus. Furthermore, a dashboard was under development that would allow the monitoring of global, regional and mission specific stockholdings, with a view to optimizing asset utilization within the useful life of the asset.

Inconsistency in inventory data

335. We noted the following from an analysis of the data relating to ICT assets:

(a) While Galileo is a centrally hosted application, it had not captured 24 assets of UNISFA having a purchase value of $214,562; 6 assets of MINUSMA having value of $54,900; and 964 assets of MINUSCA having a value of $3 million;

(b) The data provided by the Information and Communications Technology Division contained 163,886 ICT assets having a purchase value of $639.49 million, whereas the data provided by the Programme Management Unit of the Department of Field Support contained 146,108 ICT assets having a purchase value of $572.40 million. A comparison of the details of the ICT assets received from the Division and the Unit showed that 29,838 ICT assets having a purchase value of $105.09 million were featuring only in one or the other of the two data sets. There were also inconsistencies in the data, such as items having been depicted as received before the date of the purchase order.

336. The Administration stated that the data provided by the Programme Management Unit did not contain data from all the peacekeeping and special political missions and was based on management categories, while the Information and Communications Technology Division report was generated by the self-accounting unit.

337. Data integrity ensures accuracy and consistency of the database, which in turn provides the proper asset management information for asset utilization and financial reporting. It is therefore important that the criteria and methodology for the Information and Communications Technology Division stock holdings should be standardized.

338. **The Board recommends that the Administration: (a) review the turnover of ICT assets to optimize their utilization before they become obsolete or outdated; and (b) standardize the criteria and methodology for the Information and Communications Technology Division stock holdings to ensure reliable ICT asset management data for decision-making with regard to procurement planning, deployment, write-off and disposal of items.**

3. Setting of information and communications technology standards

339. The Board had recommended in its previous report (A/69/5 (Vol. II), chap. II) that proposals for setting of standards be evaluated in an empirical manner by clearly defining the operational requirements to be fulfilled, undertaking market research with an emphasis on the solution or benefit to be achieved, competitive bidding, and after a comprehensive cost benefit analysis. The Secretary-General, in his report (A/69/781), had stated that the Department of Field Support was engaged with the Office of Information and Communications Technology in revising the processes and protocols for standards through the Architecture Review Board and implementation of the recommendation was targeted to be completed by the fourth quarter of 2015.

340. The Administration stated that ICT standards were approved on the basis of the recommendations of the Architecture Review Board. It added that review of costs and market competition was part of the evaluation process.

341. The Board noted that market research or cost-benefit analysis had not been either undertaken or documented in respect of any of 15 standards newly formulated or extended during 2014/15.

342. **The Board reiterates its previous recommendation for a more empirical and transparent procedure for the setting of standards that defines operational requirements and is informed by a market research and cost-benefit analysis.**

343. The Administration stated that discussions were under way with the Procurement Division to set up a procedure to review market competition and costs without jeopardizing the independence, transparency and fairness principles.

4. Information and communications technology security

344. To mitigate risks to ICT assets and infrastructure inherent in the operational environment, the United Nations adopted a strategy that encompasses two separate but related components: data backup (disaster recovery) and redundancy (business continuity). The disaster recovery and business continuity approach is based on prevention, mitigation and recovery considerations. A recovery point objective of 24 hours was set for all critical systems, both local and enterprise-wide. For local critical applications, the recovery time objective will have to be determined by each office. Business continuity encompasses the computing and telecommunication facilities that will be required to restart critical operations following a significant disruptive episode. Disaster recovery addresses the preventive and operational actions required to preserve critical business software applications and data so as to minimize losses in the event of a significant disruptive episode. We found that:

(a) Disaster recovery and business continuity plans scheduled to be reviewed in October 2013 had yet to be reviewed and updated;

(b) From the self-assessment of the security controls currently implemented in the field missions, we noted that network intrusion detection was available in only two missions (UNOCI, UNAMA) and the Regional Service Centre in Entebbe during 2013/14 and 2014/15. Incident management was available in only four missions during both the years. Retention schedules were available in 11 missions and disaster recovery plans were available in 21 missions, including special political

missions during both the years. Hence, there had been no significant progress between 2013/14 and 2014/15;

(c) Systematic and periodic vulnerability assessments are essential to identify security threats to information security systems in an organization. Four of the six missions reviewed, namely, MINURSO, UNMIK, UNDOF and UNOCI, were not aware of cybersecurity penetration testing having been performed;

(d) Organizational-level policies are to be supplemented by local policies that factor in the specific local, social, physical and political environments in which a particular mission operates. However, UNIFIL, MINURSO, UNMIK, UNDOF and UNOCI did not have their own documented procedures to address cyberthreats but relied on the cyberemergency response procedures issued by the Office of Information and Communications Technology;

(e) Details of training and awareness programmes on ICT security conducted during 2014/15 were not available. The Information and Communications Technology Division spelled out certain actions planned to be taken and indicated that a site had been created to share pertinent information with mission ICT focal points.

345. The Department of Peacekeeping Operations/Department of Field Support policy on ICT security, business continuity and emergency preparedness states that ICT security is the responsibility of all departmental personnel. To coordinate the ICT security activities, four major roles with clear responsibilities were defined: (a) ICT data owners, who would be responsible for each type of production system ICT data and make decisions concerning the data on behalf of the organization; (b) ICT data custodians, who would be responsible for taking care of ICT resources and, as such, take physical or logical possession of ICT resources and data; (c) business unit managers, who would be the application owners responsible for the security of their applications; and (d) ICT data users, who process or view data that are owned or under the custody of others. To actualize this policy, service line roles need to be defined, in particular by the regional support centres, such as the Regional Service Centre in Entebbe. This has yet to be done.

346. The Administration stated that a number of steps had been initiated to improve ICT security across the Organization, including a feasibility study for the deployment of a computer security incident response team, which was one of the principal recommendations of the Board in its previous report. Release of a business continuity plan has been delayed owing to operational reasons but a number of best practices frameworks and standards had been implemented for the management of the voice, video and data hosting infrastructure. A global risk assessment will be performed as part of the development of a business continuity plan and assessments for the missions identified in the Board's report. The Regional Service Centre in Entebbe will also update its business continuity plan by the second quarter of 2016.

Information security awareness training

347. The Department of Peacekeeping Operations/Department of Field Support policy on ICT security awareness mandates an ICT security awareness programme consisting of general security awareness training and specific security awareness training providing specific training to specific user groups. We found that while identified information security trainings are conducted for specific user groups such as information security personnel and awareness trainings are conducted for

inductees, no awareness trainings have been provided to other ICT users in the Regional Service Centre in Entebbe.

348. **While acknowledging the steps taken by the Administration in response to its earlier recommendations, the Board recommends that the Administration: (a) ensure that both the business continuity plans identifying critical software and data and the disaster recovery plans are in place in all peacekeeping missions within a defined time frame; (b) implement network intrusion detection and incident management software in all missions; and (c) conduct information security awareness programmes in all missions and departments.**

349. The Administration stated that it was determining the feasibility of deploying intrusion detection systems at different mission locations. All users of ICT resources in field missions would be reminded to complete the mandatory information security awareness training and pass the test.

E. Disclosures by management

1. Write-off of cash, receivables and property

350. The Administration reported to the Board that property losses amounting to $30.95 million ($9.02 million in 2013/14) had been written off during 2014/15. The losses had been caused mainly by hostile actions, abandonment, relocation or closure of sites, accidents, malfunctions and other circumstances. In accordance with financial rule 106.7, the Administration also stated that losses amounting to $692,666 ($269,143 in 2013/14) had been written off in respect of cash and receivables because they were considered irrecoverable.

2. Ex gratia payments

351. The Administration reported to the board that one ex gratia payment amounting to $2,231 was made to a formal military officer for essential food supplements at UNMIK during the reporting period.

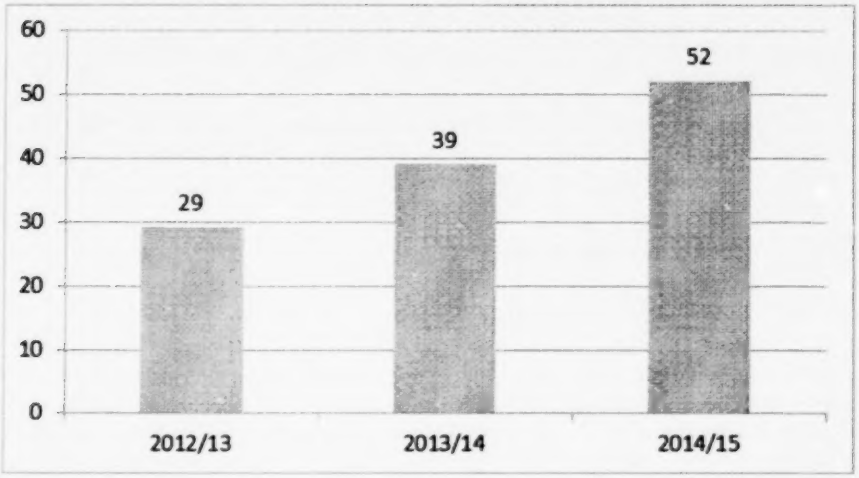
3. Cases of fraud and presumptive fraud

352. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities, including those resulting from fraud. Our audit should not, however, be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

353. During the audit, the Board makes enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that management has identified or brought to their attention. We also inquire whether management has any knowledge of any actual, suspected or alleged fraud, and this includes enquiries of the Office of Internal Oversight. The additional terms of reference governing external audit include cases of fraud and presumptive fraud in the list of matters that should be referred to in its report.

354. During the period under review, the Administration reported 52 cases of fraud or presumptive fraud to the Board involving an amount of $338,374.84. The Board noted a rising trend in the number of cases of fraud and presumptive fraud reported by the management, as depicted in figure II.III.

Figure II.III
Trend of number of cases of fraud and presumptive fraud



355. The Administration stated that the increase was attributable mainly to the fact that 10 cases involving fuel theft had been counted during the financial period 2014/15, whereas such cases had not been included in previous reporting periods. Furthermore, MINUSCA, established in April 2014, had reported 4 of the 52 reported cases. The Administration added that 20 of the 52 reported cases had resulted in no loss to the United Nations.

356. As part of the overall United Nations Secretariat, the Department of Field Support and the Department of Peacekeeping Operations follow the Secretariat's policies and procedures regarding fraud issues as well as mechanisms for reporting and monitoring fraud cases. The increasing trend in the number of cases reported by the Administration underlines the need for a greater emphasis on fraud awareness and prevention rather than on just action after detection as well as an Organization-wide uniform definition of the cases that are to be reported under "fraud and presumptive fraud". The Board considers that there is a risk of underreporting of fraud owing to a lack of systematic processes for identifying and reporting cases.

F. Acknowledgement

357. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretaries-General for Management, Peacekeeping Operations, Field Support and Internal Oversight Services and the Controller of the Office of Programme Planning, Budget and Accounts and members of their staffs, as well as the staff at the missions.

(*Signed*) Mussa Juma **Assad**
Controller and Auditor General of the
United Republic of Tanzania
(Chair of the Board of Auditors)

(*Signed*) Shashi Kant **Sharma**
Comptroller and Auditor General of India
(Lead Auditor)

(*Signed*) Sir Amyas C. E. **Morse**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

14 January 2016

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Mission for the Referendum in Western Sahara (MINURSO)
2. United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)
3. United Nations Stabilization Mission in Haiti (MINUSTAH)
4. United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)
5. African Union-United Nations Hybrid Operation in Darfur (UNAMID)
6. United Nations Disengagement Observer Force (UNDOF)
7. United Nations Peacekeeping Force in Cyprus (UNFICYP)
8. United Nations Interim Force in Lebanon (UNIFIL)
9. United Nations Interim Security Force for Abyei (UNISFA)
10. United Nations Interim Administration Mission in Kosovo (UNMIK)
11. United Nations Mission in Liberia (UNMIL)
12. United Nations Mission in South Sudan (UNMISS)
13. United Nations Operation in Côte d'Ivoire (UNOCI)
14. United Nations Support Office for the African Union Mission in Somalia (UNSOA)
15. United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA)

Special-purpose accounts

1. Peacekeeping Reserve Fund
2. United Nations Logistics Base at Brindisi, Italy (UNLB)
3. Support account for peacekeeping operations
4. Employee benefits funds

Closed peacekeeping operations

1. United Nations Operation in Burundi (ONUB), closed on 31 December 2006
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL), closed on 31 December 2005
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET), closed on 20 May 2005

4. United Nations Iraq-Kuwait Observation Mission (UNIKOM), closed on 6 October 2003
5. United Nations Mission in Bosnia and Herzegovina (UNMIBH), closed on 30 June 2003
6. United Nations Mission of Observers in Tajikistan (UNMOT), closed on 15 May 2000
7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH), closed on 15 March 2000
8. United Nations Mission in the Central African Republic (MINURCA), closed on 15 February 2000
9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM), closed on 26 February 1999
10. United Nations Preventive Deployment Force (UNPREDEP), closed on 28 February 1999
11. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group (UNPSG), closed on 15 October, 30 November 1998
12. United Nations Observer Mission in Liberia (UNOMIL), closed on 30 September 1997
13. United Nations Peace Forces (UNPF), closed on 30 June 1997
14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA), closed on 31 May 1997
15. United Nations Mission in Haiti (UNMIH), closed on 30 June 1996
16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR), closed on 19 April 1996
17. United Nations Observer Mission in El Salvador (ONUSAL), closed on 31 May 1995
18. United Nations Operation in Mozambique (ONUMOZ), closed on 31 March 1995
19. United Nations Operation in Somalia (UNOSOM), closed on 3 March 1995
20. United Nations Military Liaison Team in Cambodia (UNMLT), closed on 15 November 1994
21. United Nations Transitional Authority in Cambodia (UNTAC), closed on 5 May 1994
22. United Nations Transition Assistance Group (UNTAG), closed on 21 March 1990
23. United Nations Iran-Iraq Military Observer Group (UNIIMOG), closed on 31 March 1991

24. Special Account for the United Nations Emergency Force (UNEF), closed on 30 June 1967

25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC), closed on 30 June 1964

26. United Nations Mission in Ethiopia and Eritrea (UNMEE), closed on 31 July 2008

27. United Nations Observer Mission in Georgia (UNOMIG), closed on 5 June 2009

28. United Nations Mission in the Central African Republic and Chad (MINURCAT), closed on 31 December 2010

29. United Nations Mission in the Sudan (UNMIS), closed on 9 July 2011

30. United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS), closed on 19 August 2012

31. United Nations Integrated Mission in Timor-Leste (UNMIT), closed on 31 December 2012

Annex II

Status of implementation of the outstanding recommendations of the Board as at 30 June 2015

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
A/68/5 (Vol. II), chap. II, for the period ended 30 June 2013						
Asset management						
1. The Board recommends that the Administration: (a) expedite the write-off process for assets left in the liquidated missions and achieve full disposal by the end of financial year 2013/14; and (b) enhance the management of transferred assets by promptly identifying the entity responsible for loss or damage during transfer-out and transfer-in delivery	para. 26	The Board confirmed in annex II to its report A/69/5 (Vol. II), chap. II, that part (a) of the recommendation had been implemented With regard to part (b) of the recommendation, the chapters on liquidation and insurance in the Movement Control Manual have been amended to include entities responsible for loss or damage during transfer in-out delivery. The Manual was approved and signed by the Under-Secretaries-General for Peacekeeping Operations and Field Support in December 2014. The chapters referred to in the Manual describe the process and duties for properly handling of asset transfer and warranting its insurance. The process, as implied in the Manual, dictates that the Movement Control Section/Unit (Headquarters or missions) is the entity responsible for overseeing and ensuring that the process is followed for claims that arise of cargo damaged during transfer-in or transfer-out delivery. In either case, it would be a Chief of Movement Control accountable at both Headquarters and missions	On the basis of the Administration's reply, the Board assessed the recommendation as implemented	X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
Procurement and contract management						
2. The Board recommends that the Procurement Division establish a mechanism to enable all registered vendors to have the opportunity to bid at some point in the interest of fairness and transparency	para. 39	The Procurement Division publishes every expression of interest on the its Internet site, the United Nations Global Marketplace and the Division's mobile app, all three of which are open to the vendor community at large	In view of the action taken by the Administration, the recommendation is considered as implemented	X		
3. The Administration accepted the Board's recommendation that it: (a) optimize the availability of prompt payment discount rates during contract negotiations; and (b) establish a mechanism to monitor the implementation of such discounts	para. 42	The Board confirmed in annex II to its report (A/69/5 (Vol. II), chap. II) that part (a) of the recommendation had been implemented Implementation of part (b) of the recommendation is in progress. Missions are taking action to address the weaknesses identified by the Board of Auditors and will closely monitor that parties involved in the payment process coordinate their actions to ensure the utilization of prompt payment discount	The Board recognizes the progress made in securing the prompt payment discounts. The recommendation is considered as implemented and closed	X		
4. The Procurement Division accepted the Board's recommendation that it enhance the collection of contractor performance reports, and make better use of the information, to facilitate decision-making in contract awards or extensions	para. 44	The supplier performance functionality within Umoja aims to "evaluate supplier performance process — consolidates supplier and/or contract performance data captured in the system, and if required, initiate and coordinate a review to determine any recommended actions". The supplier performance functionality and reporting has been classified as Umoja Extension 2. Its deployment date will be dependent on the decision of the General Assembly	The response of the Administration indicates that the date of deployment of Umoja Extension 2 has yet not been decided. The recommendation remains under implementation		X	
5. The Administration agreed with the Board's recommendation that it define a consistent and more robust evaluation method for assessing the cost-effectiveness of the Regional Procurement Office	para. 62	The cost-effectiveness of the Regional Procurement Office is undertaken on the basis of three major components, namely, overhead savings (lower salaries and benefits at the Regional Procurement Office than at client missions); cost savings from the non-entitlement of Regional Procurement Office staff to the rest and recuperation allowance; and administrative cost avoidance, owing to	On the basis of reply of the Administration regarding the cost neutrality of the Regional Procurement Office, the recommendation is considered as implemented	X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		the consolidation of procurement activities. This format of cost savings has also been provided to the Advisory Committee on Administrative and Budgetary Questions The Regional Procurement Office is functioning on a cost-neutral basis and it does not have its own budget allocated for its operations. The staff members of the Office are resourced by redeploying the posts of client missions and the Procurement Division. The Office is no longer a pilot project but is a regular section of the Procurement Division The cost savings reported are the major cost components to demonstrate the Regional Procurement Office's cost advantages					
Budget formulation and management							
6. The Board recommends that the Administration strengthen its monitoring of the status of the allotment of missions and ensure that proper approval is obtained before redeployments are made between groups and classes	para. 82	As part of the proper management of funds, the Office of Programme Planning, Budget and Accounts continues its stringent monitoring and review of redeployment of funds between groups. The launching of clusters 1 to 3 of Umoja (Foundation and Extension 1) has given the Office the opportunity to review and further refine its policies in respect of delegated authority to peacekeeping missions. In June 2015, the Deputy Controller advised peacekeeping missions, among other things, of the updated procedures for the administration of allotments, which conferred greater authority to missions to manage resources within groups, accompanied by increased responsibility and accountability. The Administration considers that this increase delegation will provide a more effective and responsive environment for missions to manage operations at their local level and as a consequence this should reduce the frequency and level of recourse to redeployments between groups, which are approved centrally by Headquarters.	The Board found many cases of redeployments, though approved, being made and the redeployed funds not being fully utilized. However, this recommendation is closed here and reiterated in the current report		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		In terms of accountability, it should be noted that in addition to reporting on redeployments between groups in the context of the annual budget performance reports for each mission, the General Assembly, in its resolution 69/307, endorsed the recommendations of the Advisory Committee on Administrative and Budgetary Questions that it should be provided with information on redeployments every six months. (see A/69/839, para. 34). The Office considers this recommendation implemented with the requirement in the budget instructions to peacekeeping missions for the performance report 2014/2015 and budget submission for 2016/17. The information will be provided to Advisory Committee in the performance reports for 2014/15 to be submitted in January 2016. The Office will forward the document numbers for the relevant reports to the Board				
Human resources management						
7. The Board recommends that the Department of Field Support and the Office of Human Resources Management develop a national staff recruitment standard operating procedure and establish how they will monitor and enforce mission compliance	para. 93	The revision to administrative instruction ST/AI/2010/3 has been postponed, pending the issuance of a new administrative instruction on the new staff selection system and managed mobility policy. Managed mobility will be phased in over time by job networks. Therefore, for a number of years, there will be two parallel staff selection system policies in place; one for staff in job networks that transitioned into the managed mobility framework and another for staff in job networks that have not yet transitioned into the managed mobility framework as well as for General Service staff not subject to mobility. As the two staff selection policies need to be aligned, the revision to ST/AI/2010/3 had to be postponed until the new staff selection system has been approved. Once the administrative	As indicated by the Administration, the implementation is expected to be completed by April 2016. The recommendation remains under implementation		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		instruction on the new staff selection system and managed mobility policy is issued, work will continue on revising ST/AI/2010/3, which will include, among other things, extending the scope of application to include locally-recruited staff in peacekeeping missions. It is expected that this would be completed by April 2016					
Air operations management							
8. The Board recommends that the Administration strengthen aviation management by improving the link between planning assumptions, operational requirements and contractual/ budgeting processes based on the development of an effective performance measurement framework	para. 110	The reiterated recommendation in paragraph 176 of A/69/5 (Vol. II), chap. II, was assessed by the Board of Auditors as implemented in A/70/5 (Vol. II), chap. II	The recommendation was reiterated in A/69/5 (Vol. II), chap. II, and has since been implemented. It is thus closed	X			
Fuel management							
9. The Board recommends that UNDOF and UNOCI establish a strategic fuel reserve as soon as possible to support the mission mandate	para. 114	UNOCI has established a strategic fuel reserve in the mission area. At UNDOF, strategic fuel reserves have been established only in certain areas owing to local circumstances and security conditions	On the basis of the action taken by the missions, the Board considers this recommendation as implemented and closed	X			
10. The Board recommends that the Administration enhance the effectiveness of monitoring of fuel consumption through trend analysis, systematic reporting of abnormal consumption, prompt corrective and disciplinary action against suspected frauds, and the promotion of monitoring tools such as the electronic fuel management system	para. 117	The electronic fuel management system has been implemented in the field missions	On the basis of the action taken by the Administration, the Board considers this recommendation as implemented and closed	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
11. The Board recommends that the Administration enhance the role of the Fuel Operation Unit in fuel fraud prevention	para. 121	With the implemented electronic fuel management system, the missions are able to detect abnormal consumptions in a timely manner and Fuel Units refer all such cases initially to the concerned self-accounting units for review. Unresolved cases are then referred to the Security Investigations Units for action, as appropriate	On the basis of the action taken by the Administration, the Board considers this recommendation as implemented and closed	X			
12. The Board recommends that the Administration encourage the Fuel Working Group to start communication activities as soon as possible, and establish a similar coordination mechanism within fuel-related units at missions	para. 122	See the comments of the Administration on the recommendation in paragraph 121 above	On the basis of the action taken by the Administration, the Board considers this recommendation as implemented and closed	X			
Implementation of the global field support strategy							
13. The Administration agreed with the Board's recommendation that it develop a more systematic approach for missions to draw on when implementing global field support strategy tools and principles. This will include a plan on how such tools and principles will be deployed in missions after the five-year project duration	para. 141	The implementation of the recommendation is in progress. Corrective actions have already commenced, including the development and submission in September 2015 of a global field support strategy start-up tools checklist for inclusion in the revised Department of Peacekeeping Operations/ Department of Field Support Mission Start-Up Field Guide. The Guide is one of the key guidance documents of the Departments	As reported by the Administration, the recommendation is under implementation		X		
14. The Board recommends that the Administration conduct a wider review and present a business case on whether the Regional Service Centre is the optimal location to take over civilian predeployment training, and develop a comprehensive implementation plan for the transfer if considered viable	para. 176	A comprehensive review of predeployment training for civilian staff has been conducted, with a recommendation to deploy the civilian predeployment training team to the Regional Service Centre in Entebbe. The proposal has been included in the Department of Peacekeeping Operations/Department of Field Support support account proposal for the financial period 2016/17	On the basis of the action taken by the Administration, the Board considers this recommendation as implemented and closed	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
15. The Board recommends that the Administration expedite the development of the remaining seven modules and the associated procurement strategy for enabling capacity within the one and a half years left for the global field support strategy to be implemented, so that capability for rapid mission deployment is fully achieved as soon as possible	para. 195	The Administration has revised the service packages for enabling capacity from seven packages to five The Administration has completed the design of all five service packages (50-, 200- and 1,000-person camps, logistics base and airbase) The Global Service Centre also commenced the review of systems contracts, which supported modularization to determine the enabling capacity options in each. However, the review was discontinued early because many systems contracts, which had supported modularization, had expired. Enabling capacity options are requested for all relevant new systems contracts for which the Centre develops the statement of requirement on behalf of the Department of Field Support	On the basis of the action taken by the Administration, the Board considers this recommendation as implemented and closed	X		
16. The Board recommends that the Administration, drawing on lessons from the project management of the global field support strategy, address deficiencies in the management of the supply chain reform. In particular, the Administration should establish effective project governance and a dedicated team and formalize the concept document so that each party can clearly understand the vision, project timeline, roles and responsibilities, and can accept its accountability for delivery	para. 204	A cross-functional team chaired by the Director, Logistics Support Division has been formed with representatives from various functional areas including Logistics Support Division, the Global Service Centre, the Field Personnel Division, the Field Budget and Finance Division, the Information and Communications Technology Division, the global field support strategy implementation coordination team, the Umoja team and the Procurement Division. The cross-functional team is responsible for finalizing and formalizing the concept document to give clear ideas about a vision, strategy and road map for the implementation of supply chain management. The Transportation and Movement Integrated Control Centre at the Regional Service Centre in Entebbe and the Integrated Operational Team have been identified as client representatives for this initiative	As reported by the Administration, the recommendation is under implementation		X	

Summary of recommendations	*Reference*	*Management response in brief*	*Board's assessment*	*Status after verification*			
				Implemented	*Under implementation*	*Not implemented*	*Overtaken by events*
17. The Board recommends that the Administration address the identified deficiencies in acquisition planning and global asset management.	para. 209	The Global Service Centre is responsible for the "clearing house" functions of the global asset management in peacekeeping operations. A revision of the asset management policy is under way to establish a new threshold for acquisition of assets, taking into consideration the lessons learned. The Centre is working closely with the field procurement liaison team of the Department of Field Support to mainstream the acquisition planning process into global asset management Acquisition planning has been implemented by the Global Service Centre in conjunction with missions (both peacekeeping missions and special political missions) and the field procurement liaison team as one of the projects within the supply chain management strategy. Data are collected by the Centre from the missions for analysis and presentation in reports. The Centre is working on the inputs for the policy on acquisition planning linking to global asset management and will send the inputs to Headquarters by 31 March 2016	As reported by the Administration, the recommendation is under implementation		X		
Subtotal (Percentage)				**12 (71)**	**5 (29)**		
A/69/5 (Vol. II), chap. II, for the year ended 30 June 2014							
1. In order to enhance the transparency and utility of the financial statements for all stakeholders, the Board recommends that the Administration: (a) state the significant accounting policy for the contingent contracted services; (b) provide expenditure figures by budget line items in annex II to the financial statements to facilitate enhanced appreciation of the expenditure incurred; and (c) review the useful lives of assets to be applied prospectively	para. 20	More detailed disclosure on contingent contracted services and the appropriate level of disclosure for budget expenditures in annex II were made in the financial statements for fiscal 2015. The review of the useful lives of assets was conducted by closely examining fully depreciated assets. In view of the limited functionality of the Galileo system, the current useful lives will be retained and the move to the Umoja platform will be advanced as scheduled. It is anticipated that Umoja will enable a more rigorous review of the useful lives of assets	The management has implemented parts (a) and (b) of the recommendation. However, part (c) has yet to be implemented, which has been reiterated in the current report. The recommendation is treated as closed here	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
2. The Board recommends that the Administration strengthen internal controls and checks and maintain close monitoring of the accounting process and the preparation of financial packages, including the trial balance, at the missions so as to enhance the accuracy of the financial statements	para. 25	The Administration instituted a monthly closing checklist system. The support to the missions through weekly videoconferences continued and a team was dispatched to Regional Service Centre in Entebbe in May 2015 to give direct guidance and assistance in clearing open items managed accounts. Those efforts reduced the level of open items to less than a half of the prior year's items (from around 27,000 items to 12,000) by the end of June 2015. A more detailed and structured accounting manual will be issued in 2015/16, which will further tighten the internal control at the mission level. A workshop for the closing of 2014/15 was held in May 2015, contributing to the accuracy of the financial statements	The Board has noted improvements in the financial statements of peacekeeping operations. The Board considers the recommendation as implemented	X			
Budget formulation and management							
3. The Board recommends that: (a) efforts be intensified to make the budget as realistic as possible so that it can be used as an effective instrument of expenditure control; and (b) the oversight of the budget steering and substeering committees be strengthened so that situations of over- or underbudgeting are avoided	para. 33	The Administration would like to reiterate that budgets are based on the best available information at the time of their preparation, well in advance of the budget implementation period. Budgets are plans that contain forecast financial requirements based on a number of assumptions. In this context, recognizing the highly volatile operational environment in which most of the peacekeeping missions are deployed, it is normal for variances to occur between the approved budget and its actual implementation. These variances are reported to the General Assembly in budget performance reports, which become important reference documents during the formulation and review of subsequent budgets Moreover, in many instances, the variances were due to misalignment of the Umoja Chart of Accounts with the general ledger account codes/object codes of the former legacy system. Thus, the items were mapped to a different expenditure class than the class that was budgeted, e.g., UNMIK, UNFICYP,	Though the Administration has made efforts to make the budget realistic, however significant variations have been noted during audit. The recommendation has been reiterated in the current report and is treated as closed here	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		UNIFIL, MINUSMA and ONUCI. The Controller's Office has sent the 2016/17 budget instructions, which include the mapping of the Umoja material master by budget class so that missions can budget using the same Chart of Accounts as is configured in Umoja to record the expenditures Notwithstanding, the Department will continue to work towards the intent of the recommendation through refined costing requirements, realistic planning assumptions that involve senior leadership at both mission headquarters and United Nations Headquarters, and improvements in budgetary control with constant monitoring of budget utilization throughout the financial year Part (b) of the recommendation has been implemented. As recommended by the Board in its report concerning peacekeeping operations for the financial period ended 30 June 2013, Budget Steering and Sub-Steering committees had been established in field missions. The Budget Sub-Steering committees review the missions' budget proposal before the document is reviewed by the Budget Steering Committee. The two-layer review of budget proposals adds further scrutiny to the budget estimation process in big missions. The Budget Steering Committee and the Sub-Steering committees are providing critical evaluation on the expenditure trends and advice to senior management to make more realistic, reasonable and justifiable budget estimates. In overall terms, peacekeeping operations achieved a 97 per cent budget utilization rate in the 2013/14 financial period and 97.3 per cent in the 2014/15 financial period, which is an indication of a robust monitoring process and budgetary discipline					

	Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
4.	The Board recommends that mission chiefs exercise greater vigilance and control over budget variations and that redeployments be permitted only with full justification	para. 39	The Department of Field Support reiterates that the redeployment of funds is not an indication of any deficiency in either financial monitoring or control, but rather demonstrates that a mission is proactively meeting the shifting priorities of operational requirements in response to both internal and external factors. Moreover, redeployments are made in accordance with the guidelines issued by the Controller for administration of allotments for the cluster 1 (peacekeeping missions), and are provided as a facility to enable the mission to redirect funding from activities that may be hampered by security constraints, procurement lead times, or poor performance from contractors, to other activities that are feasible to implement. The process is accompanied by checks and balances through the approval of justified redeployments by respective Directors/ Chiefs of Mission Support, who were delegated this authority by the Controller. The justifications are also made available for reporting purposes. Nevertheless, the Administration will continue to closely monitor the budget implementation in field missions to address weaknesses observed by the Board of Auditors	Considering the extent of redeployments made during 2014/15 and unspent balances at the end of the year despite redeployments, there is need for strict control over expenditure and the budget planning. The recommendation has been reiterated in the current report and is treated as closed here	X			
5.	The Board recommends that the Administration review the methodology adopted to ensure more realistic budgetary projections	para. 54	The Administration issues comprehensive guidance on budgeting for major consumables as part of the budget instruction package circulated to all peacekeeping missions. The guidance is updated every year to account for price changes related to contractual costs, consumption patterns or new budgeting parameters for more realistic budgeting The guidance package is intended to provide, to the extent possible, a standard approach to budget parameters based on the collective experience of missions, and to support a	On the basis of the action taken by the Administration, the recommendation is considered as implemented	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
		budget formulation approach where historical trends may not be an adequate indicator for resource planning. In the course of budget formulation, it is accepted practice for missions to review their recent historical trends of consumption and budget accordingly Missions also establish their own consumption baseline by ensuring that an accurate representation of costs is provided in the budget proposals, supported in part by the guidance package issued by Headquarters when historical trends are not available or are uncertain					
Travel management							
6. The Board recommends that the Administration review the actual requirements for official travel and take steps to strengthen budget planning of official travel at the mission level in order to ensure optimum allocation and utilization of resources	para. 59	The Administration stated that given the volatile operational environment, it was normal for variance to occur. If the expenditure for a particular type of travel exceeds the budget, it is the prerogative of the directors/chiefs of missions to redeploy funding from other budget items as a matter of priority. It is not expected that such travel overruns will give rise to additional funding for the overall budget. Concerted efforts were being made to increase the cost-effectiveness of training and reduce training-related travel expenditure to the extent possible	Though the budget was reduced during 2014/15, but subsequently increased through redeployments, which defeated the purpose of budget rationalization. The recommendation has been reiterated in the current report and is treated as closed here			X	
7. The Board recommends that: (a) the Administration take effective steps to enforce and monitor compliance with the advance purchase policy by staff and missions; (b) the Regional Service Centre review the reasons for non-compliance with the administrative instruction on official travel and identify areas for improvement, including	para. 64	(a) The Department of Field Support monitors compliance with the advance purchase policy, and actively follows up with the missions on the submission of quarterly compliance reports. Examples of compliance reports for two missions for the first quarter of 2015 were furnished. The Department has also included monitoring of compliance with the advance purchase policy in its overall monitoring framework, which will allow additional oversight and follow-up. Lastly,	(a) From an examination of the records submitted to audit, it was seen that the management was keeping a watch on the compliance with the policy. The recommendation is considered as implemented			X	

	Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
	streamlining and monitoring of the granting of approval for travel claims		with the implementation of Umoja, significant improvement to the travel management process is anticipated, as certifying officers in Umoja will assume increased responsibilities, one of which will be to review and judge reasons for non-compliance with the advance purchase policy and return/reject the request with valid observations (b) The Regional Service Centre has established monthly key performance indicators to track the implementation of the 16-day policy on the issuance of tickets and to enforce the rules	(b) On the basis of the steps taken at the Regional Service Centre, it is expected that overall compliance may increase. The recommendation is considered as implemented				
8.	The Board recommends that: (a) the format of the travel request forms being used by the Department of Peacekeeping Operations and the Department of Field Support be revised to include certification by the programme manager in accordance with the extant instructions; and (b) the issuance of such certificates be insisted upon before the granting of approval for the proposed travel	para. 70	The Administration has revised the request for travel authorization form as recommended by the Board. Travel requests are now processed within Umoja and the Field Support Suite. The Regional Service Centre in Entebbe has submitted a change request for the Field Support Suite to meet the requirements of the Board's recommendation. The Field Support Suite team has confirmed that a solution had been implemented for official travel, in which the travel approvers are not able to approve a travel request unless the travel authorizer has confirmed that videoconferencing or other remote business practices had been carefully considered. The solution is detailed in the Travel Request 10 UI Package 39400 Release Note, which was issued on 30 November 2015	The reply indicates that action has been taken by the management to implement the recommendation. While actual progress achieved will be reviewed, this recommendation is considered as implemented		X		
9.	The Board recommends that the missions, together with the Regional Service Centre, closely monitor the adjustment of travel advances and ensure timely action for adjustment/recovery. Guidelines may be issued detailing the respective	para. 77	In November 2014, Regional Service Centre put in place a task force which reviewed and processed all outstanding F.10 claims. Key performance indicators have been established at the Regional Service Centre to ensure that 75 per cent of the F.10 claims received are processed within 21 working days, that 98 per cent of non-compliant claims are	From the reply, it appears that action has been taken by the management to implement the recommendation. While actual progress achieved		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
responsibilities of the mission and the Regional Service Centre and ensuring that separation benefits are granted only after no dues certificates have been received from the sections concerned		returned within 10 working days and 100 per cent within 20 days. The benefits and payroll, travel on official meetings and uniformed personnel service lines in the Regional Service Centre are mapped in the Field Support Suite to provide clearance certificates for separating staff members. In addition, Regional Service Centre has created process guides available to staff processing separations to ensure that separating staff recoveries are processed prior to finalization of check-out from the mission and submitting a separation notification to United Nations Headquarters for further action. The process guide for processing separations was also furnished by the management	will be reviewed, this recommendation is considered as implemented				
10. The Board recommends that the Administration review the ticketing arrangements that may have been entered into by missions with travel firms so as to ensure that discounts are uniformly obtained, thus avoiding unnecessary expenditure	para. 81	MINUSMA has entered into a formal contract (August 2014) with the travel firm and is eligible for a United Nations discount (6-7 per cent), depending upon the carrier. Furthermore, in view of the complex and high-volume nature of travel services contracts across all missions, the Department of Field Support, in coordination with the Travel and Transportation Section and the Procurement Division at United Nations Headquarters, have reviewed the ticketing arrangements and launched an initiative to establish a generic statement of requirement that missions can use to establish their own travel services contracts. This will enable missions to put in place standardized travel services contracts and benefit from related discounts	On the basis of the action taken by the mission, the recommendation is considered as implemented		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
Asset management						
11. The Board, while noting the improvements made, recommends that the Administration undertake a more focused effort to ensure that its own instructions in respect of the write-off of assets are followed by missions	para. 86	The Department of Field Support has undertaken focused efforts to ensure that missions follow instructions with respect to write-off of assets, and performance in this regard has improved accordingly. In November 2014, the Department provided guidance to missions on write-off and disposal of property. The guidance focused on how to address large increases in the volume of write-off cases owing to changes in peacekeeping mandates, mission liquidation and/or significant downsizing, which had been identified as a key factor behind delays in the write-off process. A thematic facsimile from the Director of the Logistics Support Division was also sent to all missions, which highlighted the Board's findings with regard to asset write-off, reiterated the key performance indicators for asset disposal, and requested missions to take urgent action to address deficiencies. Key areas for improvement in asset management, drawing upon the Board's findings, were defined in paragraph 8of the Department of Field Support directive on property management, issued in February 2015. Key actions and key performance indicators were defined in the Department's work plan on property management and performance results have been reported by missions and reviewed by the Department on a quarterly basis. Following the actions noted above, missions have improved their performance in asset write-off and the departmental target of the key performance indicator has now been met	While the target of the key performance indicator has been met for assets written off during 2014/15, it was seen in audit that nearly 18 per cent of the assets had been written off beyond the prescribed timelines. The efforts made by the Department of Field Support to fully implement the recommendation are appreciated. However, the recommendation cannot be considered to have been implemented and is thus under implementation		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
12. The Board recommends that the Administration review the reasons for delay in the disposal of written-off assets and ensure that the missions explore the possibility of the quicker disposal of long-pending cases while addressing mission-specific constraints	para. 91	Missions were guided to engage all stakeholders in establishing a robust commercial sale regime for property being disposed of, to conduct sales regularly to avoid the accumulation of backlog and to further improve the disposal performance. The Department of Field Support further provided guidance to field missions, within the Department's work plan and directive on property management, to review local market conditions and explore opportunities for establishment of disposal agreements with the local authorities and/or resort to alternative disposal methods	While improvements have been made and the average time taken for disposal of written-off assets was less than the prescribed limits, it was seen that nearly 30 per cent of the written-off assets were disposed of beyond the prescribed timelines. Hence, the recommendation remains under implementation		X		
13. The Board recommends that missions: (a) strengthen their asset management procedures and closely monitor the level of ageing stock and its judicious deployment and redistribution; (b) consider writing off or disposing of all items of obsolete equipment that are no longer in use; and (c) ensure proper assessment of requirements before undertaking procurement so as to ensure that the items purchased are utilized	para. 97	(a) and (b) Key areas for improvement in asset management, drawing upon the Board's findings, were defined in paragraph 8 of the Department of Field Support directive on property management, issued in February 2015. Key actions and key performance indicators were defined in the Department's workplan on property management. Missions were instructed to make full use of material resources and avoid loss, wastage, obsolescence, deterioration, and unwarranted accumulation of property. Missions were requested to put assets into use right after entry into inventory, with the exception of reserve and safety stock items, utilize the established key performance indicators to assess equipment utilization efficiency ratios, identify slow-moving items and ageing stock, declare surplus for redistribution and/or initiate write-off for obsolete equipment. Performance results have been reported by missions and reviewed by the Department on a quarterly basis (c) A fax from the Director of the Global Service Centre to all field missions, which	The efforts taken and the instruction issued by the Department of Field Support are noted and appreciated. However, it was seen from the examination of the records provided to audit that the issues raised in the previous audit report persist. Hence, this recommendation cannot be considered to have been implemented and is thus under implementation		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		clearly sets out the requirement that all missions' acquisition plans are reviewed by the Global Service Centre clearing house in order to explore the possibility of satisfying demand from existing resources and the global asset pool prior to sourcing new non-expendable assets was furnished by the management. More detailed e-mails were sent to each mission individually in this regard. The e-mail sent to UNSOA included the new acquisition plan template, and clear binding instructions to ensure adherence to the policy was also furnished to audit					
14. The Board recommends that missions: (a) improve their procedures for the issuance and tracking of assets; and (b) exert more effort to trace the items "not located" during physical verification	para. 101	Key areas for improvement in asset management, drawing upon the Board's findings, were defined in paragraph 8 of the Department of Field Support directive on property management, issued in February 2015. Key actions and key performance indicators were defined in the Department's workplan on property management. Missions were advised to speed up the process of physical verification as a key measure for ensuring the accuracy of property records and plan for finalizing this activity well ahead of the end of the financial year so as to allow sufficient time for review and reconciliation of discrepancies identified during the verification process. Furthermore, the Department, through the quarterly performance reporting regime, requested missions to review and reconcile discrepancies in non-expendable property records and ensure that all items marked with "Not found yet" discrepancy are located or, when appropriate, written off as lost within the established time frame. Performance results have been reported by missions and reviewed by the Department on a quarterly basis	The efforts taken by DFS for the implementation of the recommendation are evident from the records furnished. The recommendation has however been reiterated in the current report and is treated as closed here		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
15. The Board recommends that the Administration review inventory management and practices at missions to reduce the number of overstocked items and ensure more rational stocking of items taking into account actual rates of consumption	para. 108	Key areas for improvement in asset management, drawing upon the Board's findings, were defined in paragraph 8 of the Department of Field Support Directive on property management issued in February 2015. Key actions and key performance indicators were defined in the Department's workplan on property management. Missions were requested to make full use of material resources and avoid loss, wastage, obsolescence, deterioration, and unwarranted accumulation of property. Missions have initiated actions for reducing the number of overstocked items, and to rationalize the stock holdings based on historical consumption analysis and ensure timely replenishment of stocks. With reference to the specific mission in which the Board highlighted deficiencies, UNMISS has undertaken a complete review of its inventory holding, and is engaging all stakeholders in rightsizing and assessing the condition of their assets. The Mission has also revised its acquisition processes and, as a result, currently, all requisitions are now being scrutinized to confirm stock levels and consumption before the procurement process commences. The Mission is also engaging with the pertinent stakeholders to reduce slow moving and passed life expectancy asset holdings in a timely manner. These actions represent an improvement in the management of the Mission's inventory	The efforts of the Administration to implement the recommendation are evident and there has been improvement in the situation. However, the deficiencies persist and a number of assets are completing their life expectancy in stock. The recommendation therefore remains as under implementation		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
Procurement and contracting							
16. The Board recommends that a system for the monitoring of the timelines of the various stages of the procurement process be instituted to reduce or eliminate delays in procurement	para. 114	The tracking of timelines of the various stages of the procurement process will be implemented through Umoja	The implementation of the recommendation may be reviewed after the full implementation of Umoja. The recommendation is under implementation		X		
17. The Board recommends that the Administration ensure that requisitions are sent to the Procurement Division in time, keeping in view the expiry of ongoing contracts, so that such contracts are not extended beyond their tenure	para. 122	The Administration has recently updated its acquisition strategy for the procurement of long-term air charter services to meet current peacekeeping aviation requirements with more efficient and effective solutions. Working closely with the International Civil Aviation Organization and keeping an open and active dialogue with both the aviation industry and the Member States, the Department of Field Support and the Procurement Division have established a revised solicitation method based on transparent and objective criteria that are in compliance with the United Nations procurement guiding principles of best value for money and fair and effective international competition. This new method was introduced with great success through a pilot tender exercise carried out in support of MONUSCO. A record-breaking number of proposals (22), including from a number of new air charter operators, and with a wide geographical representation, were received. On 17 April 2015, following the conclusion of the pilot tender for MONUSCO, the Department, jointly with Procurement Division, held an air conference in New York for the vendors so that they might propose innovative and cost-efficient aircraft solutions to fulfil the logistics requirements of peacekeeping operations	The management has not provided any relevant information regarding the implementation of the recommendation. The recommendation is therefore considered as not implemented			X	

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
18. The Board, while recognizing the need for some flexibility in seeking performance bonds, recommends that the Administration review the guidelines for obtaining such bonds to ensure that they are adequate to secure the interests of the United Nations and result in the consistent application of provisions	para. 129	The Procurement Division will conduct an internal compliance review that will ascertain the efficacy of the current stipulations of the Procurement Manual with regard to securities, such as performance and bid bonds	On the basis of the reply of the Administration, the recommendation is considered as under implementation		X		
19. The Board recommends that UNAMID review the control mechanisms in place to ensure that recoveries on account of liquidated damages and other contract-related breaches are effected in a timely manner	para. 132	In addition to the comments in A/69/5 (Vol. II), chap. II, the UNAMID Contract Management Section has been tasked with overseeing the implementation of the major contracts to ensure that contractual remedial actions, such as the application of liquidated damages, are discussed with the contractor, verified and accepted during periodic performance review meetings. This measure will facilitate deductions from subsequent invoices	In view of the instructions issued by the Administration, the recommendation is considered as implemented	X			
20. The Board recommends that the missions: (a) develop a system that will enable them to capture and collect all types of discounts offered in the contract; (b) ensure coordination between the different sections within the mission so that invoices are processed within the specified time frame to secure prompt payment discounts	para. 139	The failure to secure prompt payment discounts was caused by a combination of internal and external factors. These included a lack of coordinated action by the parties involved, untimely updating of receipts, slow invoice processing, unclear procedures, delayed release of payments to vendors' bank accounts and restrictions imposed by local authorities. In some missions, the lead time for processing payment transactions by local banks takes a prolonged period of time. Missions are taking action to address the weaknesses identified by the Board and will closely monitor that parties involved in the payment process coordinate their actions to ensure the utilization of prompt payment discounts. An objective is to ensure full compliance within the coming financial year	The Board has still noticed cases relating to prompt payment discounts during the audit of 2014/15 that indicate scope for further improvement. The recommendation has been reiterated in the current report and is treated as closed here	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
21. The Board recommends that the provisions in the Procurement Manual be reviewed to strengthen the role of the local committee on contracts/Headquarters Committee on Contracts as an effective internal control mechanism and to ensure best value for money, accountability and transparency in procurement decisions	para. 150	The Administration considers that administrative instruction ST/AI/2011/8 on review committees on contracts and chapter 12 of the Procurement Manual provide sufficient clarity in terms of the role of the Headquarters Committee on Contracts. On the other hand, the Administration takes note of the Board's observations on the cases examined and agrees to review the guidance in the Procurement Manual on contract amendments or modifications. If deemed necessary, the Administration will further assess if clarity or guidance is required either by amending the Procurement Manual or issuing a separate instruction	On the basis of the reply of the Administration, the recommendation is considered as under implementation		X		
22. The Administration accepted the Board's recommendation that: (a) the missing elements be incorporated in the joint acquisition plan; (b) definite target dates be set for the finalization of the joint acquisition plan and, in any case, the plan be finalized before the start of the fiscal year; and (c) the annual planning process result in the preparation of mission-specific plans in addition to the joint acquisition plan	para. 156	The Department of Field Support, in coordination with the Global Service Centre in Brindisi and the Procurement Division in New York, developed a new acquisition plan template, which included data for all peacekeeping and special political missions. The regional acquisition plan for 2015/16 was finalized at the meeting of the Regional Procurement Steering Group held on 13 October 2015. The regional acquisition plans have been approved by the Steering Group	On the basis of reply of the Administration, the recommendation is considered implemented	X			
23. The Board recommends that the Procurement Division take concerted action to improve rates of utilization of the regional systems contracts by missions. Where there are such contracts, the missions should normally be prevailed upon to utilize them	para. 160	The utilization of regional systems contracts is not under the Procurement Division's control. The Regional Procurement Office took several actions to improve the utilization level of such contracts. As a result, the average utilization has been increased from 32.7 per cent in 2013/14 to 35 per cent in 2014/15. Nevertheless, the Office will continue to reach out to the client missions by periodically distributing contracts catalogues (booklets) so that missions are informed of all updated lists of regional systems contracts available for use	On the basis of reply of the Administration, the recommendation is considered as under implementation		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
Vehicle fleet management							
24. The Board reiterates its recommendation that the Administration continue its efforts to eliminate excess holdings of light passenger vehicles	para. 168	The Department of Field Support has implemented a robust and regular system of reviewing mission light passenger vehicles holdings against missions' entitlements, which has resulted in reduction of excess holding from 12.2 per cent in 2013/14 to 8.1 per cent in 2014/15. However, the reduction of the light passenger vehicle fleet is directly associated with the reduction of the number of staff present at the mission area. This drawdown, which in most cases is completed at the end of a given financial year, is the starting point to initiate the write-off and disposal of vehicles. As a result, the write-off and disposal processes continue in most cases beyond the end of the financial period	The Board appreciates the reduction in excess holding, of light passenger vehicles. The recommendation has been reiterated in the current report and is treated as closed here	X			
Prompt payment discount							
25. The Board recommends that payment procedures be streamlined so that prompt payment discounts may be claimed. There should be strict timelines for the processing of fuel bills, coupled with robust mechanisms for the monitoring of those timelines	para. 172	MINUSMA has strengthened its centralized requisitioning unit with a budget and finance assistant to facilitate the timely processing of fuel requisitions and invoices. The deployment of the electronic fuel management system in MINUSMA on 7 July 2014 has also accelerated the invoice verification process in that it generates real-time reports of fuel consumption in all mission locations and allows the electronic records of contractor fuel issues to be captured for comparison with invoices. At UNISFA, a standard operating procedure for timely invoice processing has been implemented. The mission's contract compliance and performance management unit also assists self-accounting units in managing contracts, ensuring the timely payment to vendors and that the mission secures the prompt payment discounts, where applicable. UNAMID has streamlined its payment process and all payments are now processed in time to take advantage of prompt payment discounts	In view of the steps taken by the Administration and the progress made, the recommendation has been reiterated in the current report and is treated as closed here	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
Air transportation							
26. The Board recommends that the Administration closely monitor the implementation of the aviation information management system, not only at the three pilot missions, but subsequently across all missions, and obviate any further slippages	para. 176	Apart from the three pilot missions (MONUSCO, UNMISS and UNISFA) the aviation information management system was also deployed as a pilot to UNMEER. Global deployment started in May 2015. Implementation has been completed in MINUSTAH and UNMIL and is currently under way in UNIFIL and UNFICYP. Implementation in the remaining missions is scheduled for completion by the end of 2015	In view of the reply, the recommendation is considered as implemented	X			
27. The Board recommends that the Administration carry out a trend analysis of the utilization of air resources by missions to determine the optimum size and composition of the aviation fleet required without compromising operational parameters	para. 181	The Department of Field Support has requested all field missions to conduct a trend analysis of the utilization of air assets to ensure the optimum fleet composition for gaining efficiencies through increased utilization. As at 1 January 2016, the results of the trend analysis have been received from MONUSCO, UNMIL and UNOCI. The Department has also analysed the global trend using the services of the Global Service Centre/Strategic Air Operations Centre for 2014/15. The target date is the fourth quarter of 2016	While a limited trend analysis has been conducted by the management, it has not conducted a trend analysis of the utilization of air assets across all the missions to rationalize the fleet. Hence, the recommendation is under implementation		X		
28. The Board recommends that missions analyse flight needs and flight schedules to maximize passenger and cargo payload per flight in order to improve aircraft capacity utilization and efficiencies and thereby reduce costs with respect to air transport	para. 183	The Administration analysed flight needs in East Africa peacekeeping missions as a part of the East Africa Corridor Project of the supply chain management pillar of the global field support strategy. As an outcome of the analysis, the Administration: reduced one CRJ-200LR aircraft from MONUSCO and established a mechanism to share the remaining CRJ aircrafts between MONUSCO, UNMISS and UNISFA; and established a mechanism to share one L100 fixed-wing aircraft between MONUSCO and MINUSMA. The actions above resulted in reduced costs of $7 million on air transport. With regard to the missions concerning	The Administration has not provided comparative data on air fleet composition at the beginning and close of 2014/15. There is improvement in utilization of "budgeted flying hours" from 80 per cent in 2013/14 to 85 per cent in 2014/15, but as brought out in the		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
		which specific deficiencies were highlighted by the Board: at MONUSCO, the Aviation Section conducts periodic analyses in order to optimize air asset utilization. These analyses often result in operational changes: reduction of assets, reconfiguration of the fleet, reduction in the frequency of flights, changes to the route structures, modifications to weekly regular flight schedules and relocations of aircraft. At MINUSMA, following a review of flight needs and schedules, C 160 aircraft contributed by one of the troop-contributing countries were replaced by more capable CASA-295 and C-130 aircraft. This change facilitated the reconfiguration of the aircraft fleet and optimized the aircraft types suitable to the Mission's geographical and climatological conditions. Currently, the Mission is in the process of planning "joint Mission coordination passengers and cargo movement" to enhance the flight request process and to improve cargo transportation efficiency. This will enable the Mission to harmonies cargo surface and air transportation, and to maximize the utilization of regular and special flights. Furthermore, the Mission is implementing various complex projects to develop aviation ground infrastructure and to achieve nominal aircraft performance efficiently and safely in the airfields: extension of the runway length; surface repair and maintenance of critical airfields in northern Mali (Kidal, Tessalit and Gao); establishment of aircraft refuelling points in northern Mali (Kidal, Tessalit); establishment of aircraft ground handling, airspace management and emergency capability by deployment of the Troop-Contributing Country Task Force Airfield Support Unit with required equipment and tools to Kidal and Tessalit and commercial	section on air transport management, there was significant overcontracting of flying hours. Further efforts are required for the full implementation of the recommendation. Thus, the recommendation is under implementation			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		airfield emergency crash and rescue services provider in Timbuktu and Gao; establishment of instrument/night capability at critical airfields in northern Mali (installation of airfield runway lighting systems at Kidal, Tessalit, Timbuktu and Gao; implementation of performance-based navigation, Global Navigation Satellite System/Area Navigation (RNAV) no-precision approach system; and deployment of military aviation liaison officers at remote airfield/helipad landing sites to provide ground support activities operations. At UNISFA, the Aviation Section carried out an assessment of air assets required in the mission. As a result, the mission's air asset utilization has increased significantly in the current financial period, from a total of 3,996 flying hours against 10,386 budgeted hours in the 2013/14 financial period to a total of 4,809 flying hours against 6,726 budgeted hours as at March 2015					
29. The Administration agreed with the Board's recommendation that it: (a) ensure strict adherence to the time frames for sending requests so as to enable the planning of efficient and cost-effective flight options; and (b) ensure that a post-flight analysis checklist is provided to the Strategic Air Operations Centre for better future tasking	para. 189	A facsimile was sent to all missions in August 2015 to highlight the findings of the Board of Auditors, regarding the time frame for sending flight requests and the completion of post-flight analysis, and to instruct missions to immediately address the noted deficiencies. In addition, the Global Service Centre would implement a reporting mechanism to identify non-compliance for appropriate action	(a) During 2014/15, data for 16 of the 139 flight requests, were not available. In the remaining cases, requests were received 10 days in advance only in 21 instances. The Administration should take concrete steps to ensure the implementation of the recommendation. The recommendation is under implementation (b) From the details obtained for the		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
			period from April 2015 to June 2015, it was seen that of the 30 flight requests, the post-flight analysis was available only in 3 flights. It was pending in 15 flights, while it was not available in respect of 12 flights. The recommendation is under implementation				
30. The Board recommends that the Strategic Air Operations Centre undertake a thorough cost analysis of United Nations fleet operations to identify areas where efficiencies can be achieved	para. 194	A cost analysis was conducted and a copy of the study was furnished to audit	In view of the reply, the recommendation is considered as implemented	X			
Construction management							
31. The Board recommends that the monitoring of construction projects be further strengthened and that missions be advised to submit their reports with all details so as to enable effective monitoring and redress of any impediments to the timely completion of the projects	para. 198	The independent senior-level working group, in full coordination with the Department of Peacekeeping Operations, has finalized the supplemental guidance on the governance of major construction projects in field missions. The supplemental guidance was issued 22 October 2015 to all peacekeeping and special political missions	The current audit has disclosed that there remain issues relating to construction management. The issuance of the supplemental guidance in October 2015 is a welcome step. However, its effectiveness needs to be assessed before the recommendation can be deemed to be implemented. Hence, the recommendation remains under implementation		X		

Summary of recommendations	Reference	Management response in brief	Status after verification			
			Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
32. The Board recommends that: (a) missions strengthen their procedures for the planning and implementation of construction contracts to factor in all foreseeable environmental and security factors that may impinge upon the execution of the work; (b) a proper feasibility study be conducted and a detailed project report prepared before project timelines are proposed; and (c) completion dates be realistic and practical so as to avoid the possibility of slippage in the stipulated schedules	para. 211	(a) The Department of Peacekeeping Operations/Department of Field Support guidelines on the governance of major construction projects in field missions, effective October 2014, assist the missions in their capacity to properly evaluate and approve specific projects and promote more efficient execution of approved projects. With regard to the specific missions in which the Board highlighted deficiencies: (a) Both UNMISS and UNISFA have established a Project Management Group to approve, priorities, monitor, and ensure the timely implementation of construction projects. At UNMISS, the Project Management Group is a three-tiered structure where the Steering Group (chaired by the Director of Mission Support) provides strategic direction on resource allocation (as approved by Resource Allocation Committee); the Integrated Project Team oversees the planning and execution of construction projects and provides governance oversight; and individual project team leaders act as in-situ, day-to-day project managers. UNMISS has also strengthened its engineering and logistics capacities (b) The independent senior-level working group, in full coordination with the Department of Peacekeeping Operations, has finalized the supplemental guidance on the governance of major construction projects in the field missions mentioned above (c) Subsequent to the issuance of the supplemental guidance,, all peacekeeping and special political missions were advised by a facsimile dated 22 October 2015 to plan and implement major construction projects in full compliance with the governance guidelines	(a) While the effect of instructions issued and action taken will be evaluated in future audits, the recommendation is considered as implemented (b) and (c) The current audit has brought out continuing deficiencies in the management of construction projects. It was seen that the projects are still not being completion in line with the decided timelines. While supplemental guidance has been issued, its effectiveness has to be assessed. Hence, the recommendation is under implementation		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
33. The Board recommended that the Administration conduct a review of current arrangements across peacekeeping missions to ensure consistent application of the requirements for performance security to protect the interests of the Organization	para. 221	In accordance with paragraph 6 of section 9.34 of the Procurement Manual, security instruments are not required for all solicitations or contracts, and whether they are needed requires a careful assessment of the facts and circumstances of the procurement. In accordance with paragraph 7, the Procurement Officer should determine whether a security instrument is necessary. It should be noted that liquidated damages are intended to compensate for actual losses caused by any delay and not to serve as a penalty for delays or an incentive to ensure that the contractor performs on time. The enforceability of liquidated damages provisions depends on the facts and circumstances of the procurement action concerned and the substance and terms and conditions of the contract in question. The determination as to when and how to use liquidated damages provisions in United Nations contracts is complex and such clauses are not appropriate for all contracts	The provisions of the Procurement Manual were already considered by the Board in its report. After the submission of the Secretary-General's report (A/69/781), the General Assembly, in its resolution 69/249 B, requested the Secretary-General to ensure the full implementation of the recommendations contained in the report of the Board (A/69/5 (Vol. II), chap. II). The Administration has not reported any compliance on the resolution. The recommendation remains unimplemented			X	
Quick-impact projects							
34. The Board recommended that: (a) the implementation of quick-impact projects by field missions be periodically monitored by Headquarters to ensure that the missions adhere strictly to the Department of Peacekeeping Operations/Department of Field Support policies stipulating the size of individual projects and timelines for their approval and implementation, particularly after	para. 240	(a) The Department of Peacekeeping Operations/Department of Field Support policy on quick-impact projects requires that the quick-impact project programme shall be managed under the overall authority of the head of mission, who shall be responsible for ensuring that appropriate mechanisms for quick-impact project management and for project selection and monitoring are established within the mission, and that they are operating effectively and efficiently (provision D4.18).	(a) The reply of the management does not clarify how the United Nations Headquarters ensures the implementation of quick-impact projects. The current mechanism has not been able to result in timely approvals		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
the release of the first instalment of payment to the implementing agency; (b) there be documented evaluation of the assessment of capacities and selection of implementing partners to carry out the projects; and (c) quick-impact project management teams consisting of properly trained and dedicated staff be constituted to manage the projects		According to provision 40 of the policy, the management oversight of quick-impact projects within the mission is the responsibility of the head of mission, and may be delegated, as appropriate, to a responsible senior manager. The Department of Peacekeeping Operations is responsible for the implementation of the policy, but not for the implementation of individual projects (provision 41) (b) At UNAMID, the capacity of quick-impact project implementing partners and focal points has been strengthened through training provided by the UNAMID quick-impact projects cell. Training was provided in five sectors of Darfur on quick-impact project guidelines and financial reporting to enhance the quality of the submission of documentary and technical requirements, including financial reporting. The UNMISS Project Review Committee has made changes to the suballocation of funds and the proposal solicitation process. These changes are expected to expedite the identification and evaluation of proposals and the prompt execution of approved projects. In addition, on 14 December 2015, the Department of Peacekeeping Operations issued a directive requesting all missions that manage quick-impact project programmes to review current practices and conduct impact evaluations to inform the development of mission-specific standard operating procedures that seek to improve the implementation of the programmes (c) At UNAMID, a quick impact projects cell, with three posts, has been established. MINUSTAH has worked closely with United Nations Headquarters and the relevant staff members were provided with the required training between September and November	and implementation of the projects. The recommendation remains under implementation (b) The reply does not explain whether the assessment of capacities and selection of implementation partners is being documented or not. The recommendation remains under implementation (c) On the basis of the response, this part of the recommendation is considered as implemented				

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		2014 to increase their proficiency in the administration of quick-impact projects through Umoja. In addition, the MINUSTAH Quick-Impact Projects Unit has improved its communication mechanisms with the Finance and Budget Section. It has updated its list of focal points in support sections and put in place improved information-sharing documents, distributed on a weekly basis to the regional offices. MINUSMA has established a full quick-impact projects team, headed by a specialized programme manager, with his team composed of one experienced financial assistant, one administrative assistant and one civil engineer (United Nations Volunteer) since November 2014 In addition, on 14 December 2015, the Department of Peacekeeping Operations issued a directive requesting that all missions that manage quick-impact project programmes to review current practices and conduct impact evaluations to inform the development of mission-specific standard operating procedures that seek to improve the implementation of the programmes				
Management of human resources							
35. The Board recommended that the Administration monitor the progress of performance appraisals at all missions in accordance with the e-performance programme and monitor the performance of its staff against established performance parameters	para. 247	The Department of Field Support monitors the completion of performance appraisals by peacekeeping missions. In order to increase the timely completion of appraisals, the Department has launched e-performance campaigns and the decision was taken to tie the extension of appointments to the completion of performance appraisals. These actions have resulted in an improved completion rate of performance appraisal in the field for the 2014/15 performance period, achieving an average completion rate of 91 per cent by the 30 June 2015 deadline. From the summary of e-performance completion rates by mission furnished by the	The Administration has taken steps to ensure much higher adherence to the requirements. While the progress will be reviewed during future audits, The recommendation has been reiterated in the current report and is treated as closed here		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		Administration, it is seen that there has been an improvement in this parameter.					
36. The Board recommends that UNAMID conduct a review of the use of individual contractors, focusing on duties overlapping with those of regular staff, and rationalize their utilization	para. 250	The mission is in the process of outsourcing to UNOPS the needs and areas where individual contractors are required	The recommendation has been overtaken by events				X
Global field support strategy							
37. The Board recommends that regular meetings be held to ensure that the implementation of the global field support strategy is on track	para. 261	The Global Field Support Strategy Steering Comr ittee remained an important body for providing advice and recommendations in support of the direction and execution of the strategy by Department of Field Support senior management during the implementation period of the strategy. At the meeting held on 6 August 2015, the Committee formally recognized that the implementation period of the strategy had concluded on 30 June 2015 and thereby the Committee would dissolve.	Only one meeting of the Steering Committee was held during 2014/15. Another meeting marking the official closure of the strategy was held in August 2015. As the implementation period is over, the recommendation has been overtaken by events				X
38. The Board recommends that the Administration take all necessary steps to ensure that the activities planned under the global field support strategy are completed by June 2015 so that the end-state vision and key performance indicators are fully achieved. An important element of such an effort would be effective periodic monitoring of progress achieved. The initiatives rolled out under the strategy should be mainstreamed into the work of the Department of Field Support at the earliest in order to ensure that the momentum achieved is not lost	para. 273	The Administration is in the process of mainstreaming the initiatives and tools rolled out under the global field support strategy into the business processes of the Department of Field Support, the Global Service Centre, the Regional Service Centre in Entebbe and field missions	On the basis of reply, the recommendation is considered under implementation		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*				
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
39. The Board recommends that communication efforts at all the peacekeeping missions and special political missions be redoubled to ensure and embed the success of the global field support strategy	para. 279	The global field support strategy implementation coordination team has redoubled its communication efforts and has issued regular quarterly updates on implementation to the field	It is an ongoing effort and will continue beyond the global field support strategy implementation period. On the basis of the action taken by the Administration, the recommendation is considered as implemented	X			
40. The Board recommends that the Administration work out a strategy to ensure that the elements and tools of the model are invariably used for first-year budget formulation to ensure that newly mandated missions are able to gain access to the necessary resources without any delay and rapidly mobilize to initiate operational implementation	para. 284	Subsequent to its application for the first full year budget for UNMISS, and in line with the request of the General Assembly in its resolution 66/243, the Secretariat conducted a lessons-learned review of the standard funding model to determine whether the model had achieved its primary objectives of fiscal discipline, streamlined process, legislative transparency and flexibility. In its resolution 69/307, the Assembly upheld the recommendations of the Advisory Committee on Administrative and Budgetary Questions (see A/69/874) against further development of the standard funding model on the basis that it lacks flexibility, and against further refinements to the model	The recommendation has been overtaken by events				X
41. The Board recommends that the resource efficiency group be reconstituted, with a clearly defined role and responsibilities complementing the other structures already in place in a mutually reinforcing manner to ensure regular review of efficiency measures across the field in order to incorporate practical benefits and savings under the global field support strategy	para. 291	The Administration has mainstreamed the function of the resource efficiency group, namely, the realization of efficiencies, through mechanisms such as the civilian staffing review process. These reviews, which are of a revolving nature, have been completed in the following missions: UNAMID, UNOCI, UNIFIL, MINURSO, UNAMI, MONUSCO, UNISFA, the Regional Service Centre in Entebbe, MINUSTAH and UNDOF	Implementation is in progress. The Board noted the non-constitution of the resource efficiency group, incomplete projects shown as completed and the non-monitoring of the actual impact of projects on resource efficiencies		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
42. The Board recommends that activities identified under the succession management plan be reviewed and revised target dates set for their completion. They may thereafter be strictly monitored to obviate the possibility of any further slippages	para. 297	The succession management concept and plan are complete, revised completion dates have been set for outstanding activities where appropriate and progress is being strictly monitored	On the basis of the action taken by the Administration, the recommendation is considered as implemented	X			
43. The Administration concurred with the Board's recommendation that steps be taken to build on the initiatives under way to bridge the civilian gender gap by adding to the recruitment and representation of women at all levels, with an emphasis at senior levels	para. 302	Since the senior women talent pipeline initiative was launched, as at 1 September 2015, none of the 35 organizational units in the human resources scorecard have had a significant shortfall against targets for the representation of women at senior levels. Sixteen units (46 per cent) currently meet the target, 29 units (83 per cent) would meet the target if one additional female in a senior position was hired, and no unit requires more than two females to be hired in order to meet their target. There has been a 20 per cent increase in external women applicants to vacancies at the D-1 and D-2 levels. Sixty-four women from 30 countries have been included in the senior women talent pipeline	On the basis of the action taken by the Administration, the recommendation is considered as implemented	X			
44. The Board recommends that action be taken in a time-bound manner to include a performance indicator to track the geographic deployment of staff at field missions	para. 306	The Department of Field Support continues to track the geographical deployment distribution in the mission-specific dashboards. The assessment of the possibility of adding this as a strategic indicator of the human resources management scorecard is still on the agenda to be discussed in the next meeting of the Performance Review Group. Meanwhile, the Department of Field Support is establishing a global framework on performance and accountability under which a set of key indicators will be monitored at the mission and global level. The geographical deployment indicator is among these key indicators, and by 30 June 2016 it will be added to the newly developed dashboards tied to this performance and accountability framework	The Board assessed that the implementation was in progress		X		

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
45. The Board recommends that the Administration ensure that the activities under the customer service integration plan are completed in a time-bound manner and that there are no further slippages, so as to ensure that the end-state vision is achieved as envisaged	para. 312	The realignment of the structure, roles and responsibilities of the Field Personnel Division has been completed as endorsed by General Assembly in its resolution 69/308, as well as the transfer of remaining transactional activities to entities outside of the Division (missions/Regional Service Centre in Entebbe) to enable the Division to become a strategic headquarters division. The draft of the global accountability and monitoring framework for human resources management functions in field missions was finalized in December 2015 and submitted for approval	The Board assessed that the implementation was in progress		X		
46. The Board recommends that steps be taken to set up a vision, strategy and roadmap for supply chain reforms at the earliest and ensure the implementation of supply chain reforms in support of peacekeeping operations. This should include a plan to ensure mainstreaming the supply chain reforms in the business processes of the Department of Field Support, its regional centres and field missions, even after the conclusion of the global field support strategy in June 2015	para. 320	Supply Chain Policy papers, including a vision, strategy and high-level road map, were approved by the Under-Secretary-General for Field Support on 14 May 2015	A similar audit finding has been included in the current report. The recommendation has been reiterated in the current report and is treated as closed here	X			
47. The Board recommends that the Department of Field Support establish a mechanism to monitor compliance with the requirement of obtaining clearance from the Global Service Centre by the missions prior to sourcing non-expendable assets. There should be clear binding instructions to ensure adherence to the policy of sourcing of non-expendable assets only after obtaining clearance from the Centre	para. 324	A facsimile from the Director of the Global Service Centre to all field missions, which clearly sets out the requirement that all missions' acquisition plans be reviewed by the Global Service Centre clearing house in order to explore the possibility of satisfying demand from existing resources and the global asset pool prior to sourcing new non-expendable assets	In view of the reply, the recommendation is considered as implemented	X			

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
48. The Board recommends that (a) the modularization strategic action plan be finalized and approved at the earliest; and (b) the Global Service Centre engage mission leaders on a possible modularization requirement to address the risk of lack of client demand for modules	para. 330	(a) The modularization strategic action plan has been prepared (b) In addition to the facsimile regarding modularization that was sent to all missions in December 2014, substantial content was updated and added to the Global Service Centre Intranet, including more detail (with illustrative diagrams) about the modules, designs of camps and enabling capacity, examples in the field and the benefits of using modularization	On the basis of the action taken by the Administration, the recommendation is considered as implemented	X			
49. The Board recommends that the enabling capacities project be expedited to ensure that service packages can be seamlessly implemented in the field and help in the rapid deployment of modularized camps	para. 337	The results of the initial project on global mission support teams were presented to the Strategic Project Oversight Committee. The Committee concurred with the conclusion that this was not the way to proceed. The commercial statement of requirements is currently being considered by the Department of Field Support and the Procurement Division. The Under-Secretary-General for Field Support approved the rapid deployment concept in August 2015. Subsequently, the Global Service Centre started working on engaging the UNOPS to address certain resource/project shortfalls	The Board noted that the additional capacities were needed. The recommendation is under implementation		X		
50. The Board recommends that the Global Service Centre enter into service level agreements with the missions it is providing services to and develop operational key performance indicators for the service lines as well as corporate key performance indicators for shared services	para. 340	Service level agreements have been established	On the basis of the action taken by the Administration, the recommendation is considered as implemented	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
51. The Board recommends that (a) major construction projects be closely monitored and the contractual terms, including liquidated damages, enforced in the event of unjustified delay; (b) the Administration ensure greater accuracy and transparency in publishing the results of surveys relating to client satisfaction so that they can better serve the intended purpose of acting as indicators for remedial action; and (c) a standard operating procedure be developed for compilation and analysis of data for each key performance indicator	para. 345	(a) The Administration now obtains quarterly performance reports on progress with construction projects from the missions (b) The Regional Service Centre in Entebbe has developed a methodology for conducting client satisfaction surveys that ensures greater accuracy and transparency (c) The Regional Service Centre in Entebbe has developed a standard operating procedure for the compilation and analysis of data for each key performance indicator that is already in use	(a) On the basis of the action taken by the Administration, the recommendation is considered as implemented (b) The Board found from the latest client survey reports that the Regional Service Centre in Entebbe had developed a methodology for conducting client satisfaction surveys ensuring greater accuracy and transparency. The recommendation is considered as implemented (c) In view of the reply, the recommendation is considered as implemented	X			
52. The Board recommends that the Regional Service Centre in Entebbe carry out an analysis to ascertain the reasons for the low payloads with a view to ascertaining whether there needs to be any change in the deployment of the aircraft to enable their better utilization	para. 348	The Transportation and Movements Integrated Control Centre previously conducted regional scheduled flights using two medium-size passenger aircraft (140 seats) that were mainly tasked for troop movement flights. As a result, the capacity utilization of these aircraft was low for regional flights. The Control Centre has since been relieved of the duty of aircraft tasking, and the contracts of these air assets were cancelled. However, a performance analysis of the independently conducted regional scheduled flights was done by the Air Transport Section at Headquarters and the Control Centre in Entebbe, which	On the basis of the response of the Administration, the recommendation is considered as implemented	X			

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		revealed the need to consolidate regional flights and provided the opportunity for right sizing the regional air assets. In July 2015, a conference was held involving the Air Transport Section, the Transportation and Movements Integrated Control Centre and chief aviation/movement control officers in the region, during which the consolidation of regional flights and the improvement of aircraft capacity utilization was discussed. The Control Centre presented a proposed flight schedule that was accepted. As at 19 October 2015, the regional flight schedule was launched, which allows three missions (UNISFA, MONUSCO and UNMISS) to share two aircraft (CRJ-200) for their regional requirements. The new arrangement enabled MONUSCO to reduce one of its CRJ-200 passenger aircraft and is expected to increase aircraft capacity utilization. A quarterly review of the performance of the flight schedule will be done in January 2016					
53. The Board recommends that (a) all functions from the missions be expeditiously transferred to the Regional Service Centre in Entebbe as envisaged in the service level agreements and the Centre initiate necessary action to complete the transition phase by June 2015; and (b) the Regional Service Centre initiate action for defining key performance indicators that cover the entire process of work, including the work to be performed by the missions	para. 352	(a) In January 2016, the Regional Service Centre in Entebbe will lead a workshop with human resources and finance representatives from its client missions to assess the impact of Umoja Extension 1 on the transfer of functions to the Centre. The full transfer of the agreed functions is expected within the second quarter of 2016 (b) The Administration now obtains quarterly performance reports from the missions on progress with respect to construction projects	(a) The Administration's reply indicates that the recommendation is still under implementation. The recommendation has been reiterated in the current report and is treated as closed here (b) On the basis of the action taken by the Administration, the recommendation is considered as implemented		X		

Summary of recommendations	Reference	Management response in brief	Status after verification			
			Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
54. The Board recommends that the Administration explore mechanisms to provide remote access to onboarding staff at the missions to complete formalities, thereby obviating the necessity of their visiting Regional Service Centre. Until such time as the check-in/check-out services are provided from Centre, it should report the expenditure incurred on daily subsistence allowance/ mission subsistence of checking-in and checking-out personnel	para. 358	The Regional Service Centre in Entebbe will lead a workshop in January 2016 with human resources and finance representatives from its client missions to assess the impact of Umoja Extension 1 (UE1) on the transfer of functions to the Regional Service Centre in Entebbe. Leveraging on the output of this workshop, the Regional Service Centre in Entebbe will explore the possibility of remote on-boarding of international staff by 30 June 2016	As reported by the management, this recommendation is still in progress		X		
Information and communications technology resources in peacekeeping							
55. The Board recommends that the Administration carry out an analysis to identify the main factors leading to such wide variations between allocations and expenditure in order to strengthen budgetary formulation and control mechanisms	para. 367	All variations in expenditure necessitated by changes in operational requirements are reported to the General Assembly. These variances are reported in budget performance reports, which become important reference documents during the formulation and review of subsequent budgets. The main reasons for the variations are: (a) changes in operating environments and mandates that occurred following budget approval, for example, in MONUSCO, ONUCI, UNDOF and UNMISS; (b) the Misalignment of the Umoja Chart of Accounts with the general ledger account codes/object codes of the former legacy system such that the items were mapped to a different expenditure class than the class that was budgeted, for example, in UNMIK, UNFICYP, UNIFIL, MINUSMA and ONUCI; (c) some unanticipated provisioning delays, for example, in UNAMID and MINURSO. Additional comments are reflected in paragraph 366 of the Board's report	Considering the extent of variations between budget and actual expenditure, and the unspent balances at the end of the year despite redeployments; there is need for strict control over expenditure and the budget planning. The recommendation has been reiterated in the current report and is treated as closed here		X		

Summary of recommendations	Reference	Management response in brief	Status after verification			
			Board's assessment	Implemented	Under implementation	Not implemented / Overtaken by events
56. The Board recommends that: (a) proposals for standards be evaluated in an empirical manner by clearly defining the operational requirements to be fulfilled; (b) in finalizing standards, market research be carried out with emphasis on the solution or benefit to be achieved; and (c) competitive bidding be the first line of approach in the larger interest of transparency in the Organization	para. 373	The Office of Information and Communications Technology and the Procurement Division are currently discussing ways of establishing a procedure to review market competition and costs without jeopardizing the principles of independence, transparency and fairness	The reply of the Administration indicates that the recommendation is under implementation. The recommendation has been reiterated in the current report and is treated as closed here	X		
57. The Board recommends that a comprehensive cost-benefit analysis be undertaken in adopting new standards or replacing old ones and that the standards be reflected in the business case proposing the change	para. 376	As above	As above	X		
58. Given the similar circumstances, the Board reiterates its recommendation made in paragraph 150 of the report, which emphasizes the need to strengthen the role of the Headquarters Committee on Contracts	para. 387	The Procurement Division will conduct an internal compliance review that will ascertain the efficacy of the current stipulations of the Procurement Manual with regard to securities, such as performance and bid bonds	On the basis of the reply of the Administration, the recommendation is considered as under implementation		X	
59. The Administration agreed with the Board's recommendation that it explore the possibility of shifting, fully or partially, the risk and responsibility of the supply of ICT equipment to the vendor by stipulating the delivery locations at the user missions after undertaking a cost-benefit analysis of such alternative arrangements	para. 389	The Department of Field Support will continue to coordinate with the Procurement Division to implement the recommendation	No further development has been reported by the Administration. The recommendation remains under implementation		X	

Summary of recommendations	*Reference*	*Management response in brief*	*Status after verification*			
			Board's assessment	*Implemented*	*Under implementation*	*Not implemented* / *Overtaken by events*
60. The Board recommends that: (a) the procedures for the utilization of ICT assets, including the determination of whether the procurement was necessary in the first place, be reviewed so as to eliminate such prolonged delays in utilization; and (b) guidelines be formulated on the extent of redundancy required for leased bandwidth	para. 395	(a) The Global Service Centre actively monitors the status of items in unit stock through monthly reviews of stock holdings. The Centre has consistently complied with the approved property management key performance indicators and provided the Board with documentary evidence to support the implementation of the recommendation. It was explained that critical spares must always be available. In addition, there is a need to consolidate purchases for specific projects in order to achieve internal resource efficiencies and greater discounts, which results in items being issued according to project plans. The Centre has been subject to various centralization projects from an ICT perspective, in accordance with the global ICT strategy documents (b) The Global Service Centre has drafted the guidelines for the extent of redundancy for leased bandwidth and the management of satellite capacity. These are currently pending approval by the Department of Field Support	(a) The response does not address the issue of delays in utilization after procurement and review of the necessity for the procurement. The recommendation is deemed to be under implementation (b) The action is ongoing. The recommendation remains under implementation		X	
61. The Board recommended that: (a) the staffing requirements of each mission be reviewed to ensure that the number of staff engaged is commensurate with its requirements; and (b) a separate budget line be introduced to indicate the resource allocations and expenditure in the budgets of missions and those of the Regional Service Centre and the Global Service Centre for the deployment of contractors, as is done with respect to consultants	para. 401	The Department of Field Support has implemented a workforce planning tool, which provides a systematic assessment of manpower levels and distribution in line with mission requirements. The results of the assessment, conducted in UNMIK, were provided to the Board. As previously stated by the Administration, ICT manpower requirements are determined in accordance with the mandate and operational requirements of the missions. The Office of Programme Planning, Budget and Accounts is reviewing the feasibility of providing additional information to the Advisory Committee on Administrative and Budgetary Questions in the form of supplementary information to the budget	The recommendation is under implementation		X	

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		reports. It is noted that supplementary information on historical expenditures on contractual services is already provided to the Advisory Committee each year. The Office is examining with the Department and the missions the extent to which manpower requirements can be projected for the purposes of budget submissions					
62. The Board recommended that: (a) the Administration develop a comprehensive information security policy that includes detailed protocols that should be followed by missions and user units to secure information technology assets; (b) a concerted awareness drive be undertaken to sensitize users with regard to threats to information security and the basic steps that should be adopted by all for cyberhygiene; (c) missions develop and implement formal information security incident management programmes delineating clearly the roles and responsibilities of ICT security personnel; and (d) the Administration explore the setting-up of an organization-wide computer emergency response team to coordinate and respond to cyberincidents and cyberthreats and carry out real-time analysis in order to develop defensive measures to secure United Nations information assets, resources and data	para. 417	(a) A comprehensive review and update of Department of Peacekeeping Operations/ Department of Field Support ICT security policies was undertaken during the second quarter of 2015. The Information and Communications Technology Division has made accessible through the Departments' content management system, Cosmos, a comprehensive repository of Secretariat-wide ICT policies that have been reviewed and are currently in effect. The repository contains the links to the ICT security policies published by the Office of Information and Communications Technology on iSeek (United Nations Intranet) in 2015 (b) The Global Service Centre developed and implemented a security awareness programme that includes information technology resilience awareness for key staff handling disaster recovery plan and business continuity plan activities. All resources are stored in the Centre's information security management website repository, which has a dedicated area for security awareness (c) The Department of Field Support/ Information and Communications Technology Division has completed a review and update of current ICT security policies as a participating member of the ICT Policy Committee. This committee is one element of the broader ICT governance framework. Currently chaired by the United Nations Office in Nairobi, its members represent the	(a) In the light of the reply, that recommendation is implemented (b) On the basis of action taken, the recommendation is considered as implemented (c) The action on this recommendation is ongoing (d) The action on this recommendation was in progress. The recommendation remains under implementation		X		

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		Headquarters Departments (including the Department of Field Support), offices away from Headquarters and regional commissions. The Committee meets twice a month to review policy and proposed policy documents for the Secretariat, including ICT security administrative instructions and technical procedures. A few of the policies that have been reviewed or are currently under review are listed below and available on the Unite website: Administrative instruction on minimum security requirements for public websites of the United Nations ICT technical procedure on incident response ICT technical procedure on data centre access ICT technical procedure on firewall protection procedure Systems monitoring and log management Protection of United Nations assets from malicious software A workshop on ICT security focusing on incident management and handling will be held in February 2016 for mission security focal points. This two-week workshop will consist of training on security incident management and best practices, and will culminate in the development of common standards, guidelines and procedures, including an information security incident management programme, for all missions. The approved information security incident management programme and instructions will be officially distributed to all missions by end of fourth quarter of 2016					

Summary of recommendations	Reference	Management response in brief	Status after verification: Board's assessment	Implemented	Under implementation	Not implemented	Overtaken by events
		(d) The Global Service Centre is exploring subscription to a cyberintelligence feed and is working with all missions' security focal points to identify the best security incident and event management solution to address threats and incident response. The first draft of the feasibility study for the implementation of a computer security incident response team project is being produced. The team has already agreed on the content and the document will be released for review in the first quarter of 2016. The target date for the project and its related programmes to be up and running is the second quarter of 2016					
63. The Board recommends that: (a) business continuity plans and disaster recovery plans be updated periodically after an in-depth reassessment of threats and vulnerabilities; (b) each mission carry out risk assessments of all its critical ICT assets and formulate a robust risk management plan, which should be incorporated in its disaster recovery plan and business continuity plan; (c) missions carry out periodic tests so that the efficacy of their plans to handle emergency situations can be ensured; and (d) missions formulate a systematic schedule of awareness and training programmes for key staff handling the disaster recovery plan and business continuity plan in order to produce a reliable resource base to deal effectively with disaster or disaster-like situations	para. 423	(a) The review of the disaster recovery plan is completed. The Global Service Centre/ Service for Geospatial, Information and Telecommunications Technologies disaster recovery plan was issued on 10 July 2015. With regard to the business continuity plan, the business process map was completed in September 2015 and the business impact assessment is scheduled to be completed by June 2016. The Plan is expected to be promulgated by December 2016 (b) The Global Service Centre has carried out risk assessments of all its critical ICT assets and has formulated a risk management plan to be incorporated in the disaster recovery plan and the business continuity plan. The risk assessment is incorporated in the disaster recovery plan and will be incorporated in the Service for Geospatial, Information and Telecommunications Technologies business continuity plan, once it is promulgated in December 2016 (c) The Global Service Centre is performing regular tests for the hosted applications	(a), (b) and (c) The steps taken indicate that the recommendation is implemented (d) The current audit brings out the fact that awareness programmes have not been conducted across all missions and for all relevant personnel. The recommendation has been reiterated in the current report and is treated as closed here	X			

Summary of recommendations	Reference	Management response in brief	Status after verification			
			Board's assessment	Implemented	Under implementation	Not Overtaken by events
		(d) The Global Service Centre has developed and implemented a security awareness programme. All resources are stored in the information security management website repository. Attendance records for courses already conducted and the approved list of participants for the course scheduled in February 2016 were provided to the Board				
Subtotal (percentage)				**33 (52)**	**25 (40)**	**2 (3)**	**3 (5)**
Total (percentage)				**45 (56)**	**30 (37)**	**2 (3)**	**3 (4)**

Annex III

Observations, mission by mission

	Observations	UNHQ	Regional Service Centre in Entebbe	Global Service Centre	UNMISS	UNISFA	MINUSCA	UNAMID	MINUSMA	UNMIL	MONUSCO	MINUSTAH	UNSOA	MINURSO	UNDOF	UNFICYP	UNIFIL	UNMIK	UNOCI
Budget and financial management	Variances between budget and expenditure			X	X	X	X	X	X	X				X	X	X	X	X	X
	Redeployments					X	X		X		X		X	X	X				
	Use of Umoja for monitoring budgets													X					
	Treatment of military allowances paid by the Government of Morocco													X					
	Unrealistic budgeting assumptions					X				X	X		X						
	Long outstanding accounts receivable										X								
	IPSAS benefit realization									X									
	Unreconciled items in the bank reconciliation statements									X									X
	Write-offs of uncollectible accounts receivable									X									
	Petty cash handling controls																		X
	Quality and completeness of the mission closing pack									X				X	X	X	X	X	X
	Financial errors identified during audit	X												X	X		X	X	
	Deficiency in trial balance financial balances and disclosures															X	X	X	X
	United Nations operational rate of exchange															X			
	Accruals															X			X
	Provisions for restoration costs																		X
	Financial reporting and disclosure of cash loss incurred in-year																		X
	Inventory: timeliness of completing the receiving and inspection process																		X
	Fully depreciated property, plant and equipment but still in use									X				X		X	X	X	

	Observations	UNHQ	Regional Service Centre in Entebbe	Global Service Centre	UNAISS	UNISFA	MINUSCA	UNAMID	MINUSMA	UNMIL	MONUSCO	MINUSTAH	UNSOA	MINURSO	UNDOF	UNFICYP	UNIFIL	UNMIK	UNOCI
	Impairment of transport property, plant and equipment													X					
	Recoveries for cost of fuel supplied to non-United Nations organizations										X								
	Outstanding invoices for services rendered to United Nations country team										X								
	Avoidable payment of value-added tax								X										
Asset management	Delay in property, plant and equipment disposals and write-offs	X								X	X	X		X			X		
	High inventory levels						X							X					X
	Physical verification						X	X											
	Ageing stock				X	X				X							X		
	Delay in asset accounting in Galileo				X														
	Non-expendable property "withdrawn from use"	X																	
	Discrepancies in tracking non-expendable property	X																	
	Open work-orders													X					
	Real estate management							X							X				
	Strategic deployment stock	X							X										
	Utilization of assets after closure of county support bases				X														
Travel management	Advance purchase policy	X		X	X	X	X			X	X							X	
	Non-adjustment of advances						X												
	Undertaking official travel without prior authorization								X										
	Lack of authorization for travel undertaken for training								X										
	Procurement of air tickets without competitive price quotations											X							

	Observations	UNHQ	Regional Service Centre in Entebbe	Global Service Centre	UNMISS	UNISFA	MINUSCA	UNAMID	MINUSMA	UNMIL	MONUSCO	MINUSTAH	UNSOA	MINURSO	UNDOF	UNFICYP	UNIFIL	UNAMIK	UNOCI
Vehicle fleet management	Excess holding of light passenger vehicles							X		X									
	Liberty usage																X		
	Unreliable data recorded by the Carlog system												X						
	Vehicle Establishment Committee deliberations not concluded										X								
	Management of vehicle spare parts										X								
	Inadequate performance of the Vehicle Establishment Committee											X							
	Unrealistic estimations used in budget preparation											X							
Fuel management	Non-maintenance of reserves requirement				X														
	Inadequate accountability on fuel consumption reporting												X						
Prompt payment discount					X	X		X	X										
Air transportation	Underutilization of air assets	X			X	X	X		X	X	X								
	Delay in sending special flight requests				X	X													
	Inconsistencies in report that may lead to overpayment	X																	
	Non-availability of committed aircraft								X										
	Management and monitoring of strategic/out-of-mission flights			X															
	Flight tracking management			X															
Procurement	Deficiencies related to purchase orders				X		X				X			X	X			X	
	Delay in processing of purchase orders								X				X						X
	Non-levy of liquidated damages in cases of delayed delivery						X										X		
	Acquisition plan	X												X	X				
	Lack of competitive bidding								X										
	Deviation from specifications stipulated in bid documents							X											

	Observations	*UNHQ*	*Regional Service Centre in Entebbe*	*Global Service Centre*	*UNMISS*	*UNISFA*	*MINUSCA*	*UNAMID*	*MINUSMA*	*UNMIL*	*MONUSCO*	*MINUSTAH*	*UNSOA*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNFIL*	*UNMIK*	*UNOCI*
	Irregularity in performance securities							X		X									
	Vendor performance reports									X									
	Deficient evaluation of contracts	X																	
	Acceptance of helicopters without equipment required under the solicitation documents	X																	
	Delay in renewal of expiring contracts	X																	
Regional Procurement Office	Regional acquisition plan	X																	
	Utilization of regional systems contracts	X																	
Contract management	Non-levy of liquidated damages							X											
	Procurement by troop-contributing countries																X		
	Irregularities in procurement process					X											X		
	Lack of enforcement of terms of contract					X		X											
Construction management	Delays in construction projects				X	X					X								
Quick-impact projects	Inadequate monitoring and delays in completing projects					X				X	X								
	Weakness in quick-impact project management				X			X	X		X								
Human resources management	Delay in filling vacant posts		X		X														
	Inactive local joint monitoring group									X	X		X						
	Non-evaluation of individual contractors' performance												X						
	Guidance on the recruitment process timelines										X								
	Staff e-performance appraisal									X									
	Monitoring key human resources performance metrics													X					
	Management's monitoring of the disarmament, demobilization and reintegration programme																		X
	Liquidation planning																		X
	Inspection of emergency shelters																X		

	Observations	*UNHQ*	*Regional Service Centre in Entebbe*	*Global Service Centre*	*UNMISS*	*UNISFA*	*MINUSCA*	*UNAMID*	*MINUSMA*	*UNMIL*	*MONUSCO*	*MINUSTAH*	*UNSOA*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNIFIL*	*UNMIK*	*UNOCT*
Security management	Lack of adequate security over the mission assets											X							
	Incidents of theft									X									
Rations management	Inadequate inspection visits and control of rations									X									
Medical services	Medical services plan deficiencies				X		X												
	Delays in procurement lead time and delivery of drugs and pharmaceutical products											X							
	Shortcomings in procurement of medical supplies					X					X								
	Management of medical supplies										X								
Environmental issues and waste management	Action plan for environmental protection						X		X										
	Limited environmental baseline studies conducted in the mission locations												X						
	Inadequate maintenance of database for waste produced in the mission												X						
	Inadequate mechanism for implementing the Department of Peacekeeping Operations/ Department of Field Support environmental policy requirement												X						
	Storage of solid waste and spillage of hazardous oil in the yard									X									
Risk management	Existing risk management strategies		X											X	X	X	X	X	X
Global field support strategy	Service level agreements and transfer of functions		X								X								
	Efficiency and quality of services delivered to the Mission by Regional Service Centre in Entebbe										X								
	Processing of travel-related claims										X								
	Shared services		X																
	Processing of education grants			X															
	Aviation safety													X					

	Observations	UNHQ	Regional Service Centre in Entebbe	Global Service Centre	UNMISS	UNISFA	MINUSCA	UNAMID	MINUSMA	UNAMIL	MONUSCO	MINUSTAH	UNSOA	MINURSO	UNDOF	UNFICYP	UNIFIL	UNMIK	UNOCI
	Defining and reporting of key performance indicators		X																
Information and communications technology (ICT)	Budget allocation	X																	
	Disaster recovery and continuity									X							X		
	Procurement of ICT assets																X		
	Management of ICT assets	X																	
	Lack of policy for mobile devices												X						
	Ineffective deactivation of Umoja users accounts										X		X						
	Lack of ICT review committee for ICT governance structure									X		X							
	ICT security and awareness training	X										X						X	X
	Customer satisfaction survey not conducted											X							
	Ineffective control over transaction codes within Umoja system										X								
	Weakness in processing receivables and payables in Umoja										X								
	Service level agreement									X									
	Un-updated standard operating procedures									X									
	Excess holding of computers	X																	
	Inconsistency in inventory data	X																	
	Delay in server virtualization component of resilient ICT infrastructure programme	X																	
	Setting of ICT standards	X																	

Annex IV

Summary of reports in peacekeeping missions on cases of fraud and presumptive fraud for the period from 1 July 2014 to 30 June 2015

Mission	*Number of cases*	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
MINURSO	0				No case recorded
MINUSCA	1	Misappropriation and attempted sale of United Nations food rations	Not applicable (no loss)	Investigation completed. Substantiated. Repatriation	Food rations intended for the contingent from the Democratic Republic of the Congo were delivered by two members of the contingent to a local individual not associated with MINUSCA for resale on the local market. Contingent rations. No loss to the United Nations
	1	Misappropriation and attempted sale of United Nations water	Not applicable (no loss)	Investigation completed. Substantiated. Action pending	Attempted theft of bottled water for military contingent. The cargo was seized by the Mission prior to resale to local vendors. No loss to the United Nations
	1	Theft of fuel	Information currently not available	Investigation pending	Five contingent members presumed to be involved in fuel theft. Matter under investigation by the troop-contributing country
	1	Forgery of documents and misrepresentation	Not applicable (no United Nations funds involved)	Investigation pending	Two contingent members introduced themselves as representatives of the Mission and presented forged documents with the Mission's stamp and letterhead to a local hotel manager, alleging the Mission's interest in leasing land owned by the hotel. Matter under investigation by the troop-contributing country
MINUSMA	0				Reply pending
MINUSTAH	1	Medical insurance fraud	Information currently not available	Investigation pending	Two national staff members are said to have submitted fraudulent medical expenses claims
	1	Medical insurance fraud	Not applicable (no loss)	Case substantiated	The subject was separated from service by the Office of Human Resources Management on 24 July 2015. Case closed
	1	Education grant fraud	7 000 (funds recovered)	Case substantiated	Fraud by a former staff member, with a note placed in the Official Status file. The Office of Programme Planning, Budget and Accounts confirmed that the amount of $7,000 was recovered from the staff member's final emoluments. No loss to the United Nations. Case closed

Mission	*Number of cases*	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
	1	Fuel theft and abusive behaviour	Not applicable (no loss)	The fraud case could not be substantiated	An UNPOL officer tried to refuel the car with a fake identity barcode. When asked about where he got the barcode, he entered into a heated discussion with fuel unit personnel. The subject received a letter of reprimand for abusive behaviour. Attempted theft, no fuel provided to the subject, no loss to the United Nations. Case closed
	1	Theft of United Nations equipment	Unknown	The matter was referred to OIOS for investigation on 1 July 2015	Three national staff members were involved in the theft from regional headquarters Cap-Haitien of the following items from the community violence reduction and International Organization for Migration depot: one generator HONDA G270, four fans LASCO 18", four visitors chairs, one water cooler, one plastic table, five tents (2 International Organization for Migration and 3 MINUSTAH), six chairs (International Organization for Migration), numerous spotlights and numerous filters. Pending with OIOS
	1	Theft of a United Nations vehicle	Unknown	Upon request of the Mission, local police authorities conducted their own investigation, which corroborated the results of the Special Investigations Unit. United Nations Headquarters agreed to lift the immunity from legal process to enable the initiation of necessary police and judicial proceedings against the subjects	The Mission recommended initiating disciplinary proceedings against one of the subject and his immediate placement on administrative leave with pay. Given the absence of prima facie evidence, the Mission did not request the same leave against the second subject. Should the Haitian national investigation produce additional evidence of his involvement in the theft, the Mission will revert with appropriate recommendations. Case pending with the local authorities
MONUSCO	1	Forgery and misrepresentation	430 872 (no loss)	Investigation completed. Substantiated. Staff member resigned on 8 September 2015 and was separated from the United Nations	A national staff member forged a purchase order for $430,872 and attempted to obtain $172,348 from a vendor on the pretext of a contract performance bond. Attempted fraud. No loss to the United Nations
	1	Medical insurance fraud	3 485 (no loss)	Investigation pending	Medical claim not processed, no reimbursement to the staff member. Attempted fraud, no loss to the United Nations
	1	Misappropriation of funds	8 127	Investigation completed. Substantiated. Staff member separated in June 2015	Recovery action pending instructions from the Office of Human Resources Management
	1	Fraudulent submission of F10 claim	Not applicable (no loss)	Investigation pending	Attempted fraud, no loss to the United Nations

Mission	*Number of cases*	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
	1	Fraudulent submission of invoices	19 840 (no loss)	Investigation completed. Substantiated. Staff member separated from the United Nations on 15 August 2014	Fabrication and submission of two fraudulent invoices submitted by the staff member for payment of $19,840 by MONUSCO. Vouchers not processed by the Finance Section of the Mission. No loss to the United Nations. Case closed
	1	Medical insurance fraud	Not applicable (no loss)	Investigation completed. Substantiated. Summary dismissal by United Nations Volunteers in Bonn	Matter involving a United Nations Volunteer and dealt with between UNDP and Vanbreda. No loss to the United Nations. Case closed
	1	Medical insurance fraud	Not applicable (no loss)	Investigation completed. Substantiated. Summary dismissal by United Nations Volunteers in Bonn	Matter involving a United Nations Volunteer and dealt with between UNDP and Vanbreda. No loss to the United Nations. Case closed
	1	Third-party fraud	9 370 (no loss)	Investigation pending	Outside activity by active staff member and unfulfilled promise to facilitate international travel (visa, flight tickets). No loss to the United Nations
	1	Third-party fraud	3 700 (no loss)	Investigation pending	Outside activity to facilitate attempted sale of United Nations-owned equipment (United Nations vehicle). No loss to the United Nations
UNAMA	0				No case recorded
UNAMID	1	Theft of United Nations vehicle	8 965.63	Investigation completed. Substantiated	Department of Field Support recommended disciplinary action against the staff member. Charges were issued by the Office of Human Resources Management on 10 March 2015
	1	Fraudulent claim of salary	2 883.94	Investigation completed. Substantiated. Contracts of the two staff members expired prior to disciplinary action	Overpayment of salaries based on falsified attendance sheets. Note placed in the personnel file of the two subjects. Partial recovery and reimbursement by 3 of the 15 individual contractors of SDG 1,155 each = SDG 3,465 (equivalent to $576.78). Outstanding loss of SDG 17,325. Case closed
	1	Fraudulent claim of salary	2 559.34	Investigation completed. Substantiated	Absence from work without permission with no fraudulent intent. The Office of Human Resources Management decided against taking disciplinary action and recommended that the Department of Field Support consider recovering any overpayments made to the subject. Letter of reprimand issued to the staff member by the Mission and partial recovery of funds. Outstanding loss of SDG 15,375 at United Nations exchange rate September 2014. Case closed

Mission	Number of cases	Issue	Amount involved (United States dollars)	Action taken	Comments
	1	Medical insurance fraud	Information with UNDP	Investigation completed. Substantiated. Summary dismissal	Matter involving a United Nations Volunteer and dealt with between UNDP and Vanbreda. Case closed
	1	Theft of United Nations equipment	2 034.07	Investigation completed. Substantiated. Administrative action by the Mission pending	Staff member removed United Nations electronics and sold them for profit. Conduct and Discipline Unit/Department of Field Support recommended that the Mission consider administrative action
	1	Theft of a United Nations vehicle	Not applicable (recovery)	Investigation completed. Substantiated. Note placed in personnel file	Individual contractor sold a United Nations vehicle for profit. Note placed in the individual contractor's personnel file. UNAMID vehicle recovered at a Government of Sudan police checkpoint in El Fasher. No loss to the United Nations. Case closed
	1	Medical insurance fraud	Information with UNDP	Investigation completed. Substantiated. Summary dismissal	Matter involving a United Nations Volunteer and dealt with between UNDP and Vanbreda. Case closed
	1	Theft of United Nations equipment	1 000 000 (recovery, no loss)	Investigation completed. Substantiated. Staff member on administrative leave without pay, disciplinary action pending	Five civilian national staff members were involved in the theft of 10 United Nations-owned cooling units (value $100,000 each). 10 cooling units were recovered by the local police in El Fasher
	1	Theft of United Nations electrical cable	634.24	Investigation completed. Substantiated. Letter of reprimand issued	Staff member stole electrical cables when, during a routine security check of the water tanker, UNAMID security personnel found electric cables concealed in the hose chambers of the tanker. Case closed
	1	Theft of a United Nations vehicle	7 313.40	Investigation completed. Substantiated. Staff member charged by the Office of Human Resources Management	A national staff member used a United Nations vehicle without authorization, and the vehicle was stolen. The Department of Field Support recommended disciplinary action. Charges were issued by the Office of Human Resources Management on 15 July 2015
	1	Theft of a United Nations vehicle	67 612	Investigation completed. Substantiated. Staff member placed on administrative leave without pay. Referred to the Office of Human Resources Management for disciplinary action. Pending	A national staff member and an individual contractor were involved in the theft of a UNAMID sewage truck. The Department of Field Support recommended disciplinary action against the national staff member on 28 July 2015. The truck not recovered and case referred to the Sudanese authorities (criminal prosecutor)
	1	Theft of a United Nations vehicle	15 127	Investigation completed	Seven national staff members are alleged to have been involved in the theft of a United Nations vehicle
	1	Theft of United Nations equipment	21 785	Investigation completed	National staff member allegedly stole 64 UNAMID air-conditioning units

Mission	Number of cases	Issue	Amount involved (United States dollars)	Action taken	Comments
	1	Theft of a United Nations vehicle	7 070.01	Investigation completed	National staff member was allegedly involved in the theft of a United Nations vehicle
	1	Fraud entitlement	To be confirmed (1 and 1/2 month's salary + danger pay)	Investigation completed	Case referred by the Department of Field Support to the Office of Human Resources Management for disciplinary action. Fraud reported by the Mission to the United Nations Controller
	1	Fraud entitlement	4 000	Investigation pending	Check issued by the Mission and remitted to the staff member to purchase books for the UNAMID legal library. Amount diverted, no purchase was made. Recovery action under consideration pending the outcome of the investigation. Fraud reported to the United Nations Controller
UNDOF	0				No case recorded
UNFICYP	0				No case recorded
UNIFIL	0				No case recorded
UNISFA	1	Theft of United Nations equipment	Information to be confirmed	Investigation pending	Theft of United Nations-owned television screens, for an estimated value of $20,250 for 45 televisions and $14,850 for 33 televisions. Arrest of individuals by the local police and partial recovery of televisions under temporary custody of local authorities for handover to the Mission. Reply pending
UNLB	0				No case recorded
UNMEER	1	Theft of fuel	316.02	Investigation pending	Theft of 559.4 litres of United Nations diesel fuel by an individual contractor
UNMIK	1	Entitlement fraud	Information currently not available	Investigation pending	International staff member collected non-family hardship allowance while it is believed that his spouse was present in the Mission area
UNMIL	1	Theft of fuel	260.79	Investigation completed. Assessment of findings ongoing	National staff member involved in the theft of fuel from a United Nations vehicle
	1	Theft of fuel	Information currently not available	Investigation completed. Assessment of findings ongoing	Four national staff members were allegedly involved in the theft of fuel from UNMIL
	1	Theft of United Nations equipment	6 500	Investigation completed	Investigation could not identify perpetrators. Case closed
	1	Theft of fuel	383.68	Investigation completed. Assessment of findings ongoing	National staff member stole 634 litres of UNMIL fuel
	1	Theft of fuel	25 446	Investigation completed. Assessment of findings ongoing	National staff member alleged to be responsible for the loss of 43,001 litres of UNMIL fuel

Mission	*Number of cases*	*Issue*	*Amount involved (United States dollars)*	*Action taken*	*Comments*
	1	Medical insurance fraud	Not applicable (no loss)	Investigation completed. Substantiated. Action pending	Former United Nations Volunteer submitted fraudulent medical claims, leading to a loss of $12,210.80 to Vanbreda. No loss to the United Nations. Case closed
	1	Theft of fuel	11 800	Investigation pending	National staff member alleged to be responsible for the loss of approximately 21,000 litres of UNMIL fuel
UNMISS/ UNMIS	1	Theft of fuel	Information currently not available	Investigation completed. Matter referred to the contingent commander for investigation	Two contingent members had allegedly sold United Nations fuel to internally displaced persons
	1	Attempted theft of United Nations equipment	Not applicable (recovery)	Investigation completed. Substantiated. Charge letter sent to the staff member by the Office of Human Resources Management	Four national staff members and two non-United Nations personnel were involved in the attempted theft of United Nations materials. No loss to the United Nations, as the materials were recovered
	1	Theft of a United Nations vehicle	Information currently not available	Investigation completed. Special Investigations Unit report issued	National staff member allegedly involved in the disappearance of a United Nations vehicle
	1	Theft of United Nations equipment	Not applicable (recovery)	Investigation completed. Special Investigations Unit report issued	National staff member allegedly sold United Nations equipment at the local market. United Nations vehicle recovered, no loss to the Organization
UNOCI	1	Theft of United Nations funds	151 000	Investigation completed. Unsubstantiated	Theft of United Nations funds, UNOCI disarmament, demobilization and reintegration programmes' payments to ex-combatants, by unidentified individuals. The investigation could not substantiate the involvement of any United Nations staff members in the loss of the money. Case closed
	1	Medical insurance fraud	Information with UNDP	Investigation completed. Substantiated. Subject separated from UNDP/United Nations Volunteers	Matter involving a United Nations Volunteer and dealt with between UNDP and Vanbreda. Case closed
	1	Theft of fuel	Not applicable (no loss)	Investigation completed. 1 allegation substantiated and 1 unsubstantiated	Attempted theft, no loss incurred to the United Nations. One staff member resigned from the Organization, allegation unsubstantiated against the second subject. Case closed
UNSOA	0				No case recorded
UNMOGIP	0				No case recorded
UNTSO	0				No case recorded
Total	**52**		**338 374.84**		**Estimated total net loss as at 15 October 2015**

Chapter III
Certification of the financial statements

Letter dated 30 September 2015 from the Assistant Secretary-General, Controller, addressed to the Chair of the Board of Auditors

The financial statements of the United Nations peacekeeping operations for the 12-month period 1 July 2014 to 30 June 2015 have been prepared in accordance with financial rule 106.1 of the Financial Regulations and Rules of the United Nations.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information on and clarification of the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements, for which the Secretary-General has administrative responsibility.

I certify that the appended financial statements of the United Nations peacekeeping operations are correct.

(*Signed*) Bettina Tucci **Bartisotas**
Assistant Secretary-General, Controller

Chapter IV
Financial report on the United Nations peacekeeping operations for the period from 1 July 2014 to 30 June 2015

A. Introduction

1. The Secretary-General has the honour to submit the financial report on the operations of the United Nations peacekeeping operations for the period from 1 July 2014 to 30 June 2015. The current period is the second year after the transition to IPSAS and several changes in accounting policies are incorporated. Actuarial gains/losses on defined employee benefit liabilities, previously recognized as an expense in statement II (statement of financial performance), are recognized directly in net assets through statement III (statement of changes in net assets). Provisions for credits due to Member States, previously recognized directly in net assets through statement III, are recognized, conversely, as an expense in statement II. These two changes in accounting policies can be credited to a critical review of the transition to IPSAS.

B. Assessed contributions

2. Total assessed contributions increased by 9.0 per cent ($703.7 million), from $7,799.9 million in the prior year to $8,503.6 million, as shown in table IV.1. The net increase is mainly explained by: (a) the speeding up of the deployment of MINUSCA (an increase of $688.3 million); (b) the expansion of MINUSMA (an increase of $286.9 million) and UNMISS (an increase of 120.7 million); and (c) the decreases in UNAMID ($257.0 million).

Table IV.1
Assessments
(Millions of United States dollars)

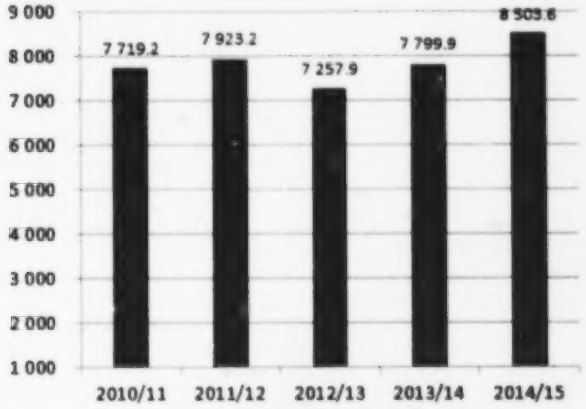
	2013/14	*2014/15*	*Percentage change increase (decrease)*
UNFICYP	33.3	36.1	8.4
UNDOF	63.4	69.1	9.0
UNIFIL	520.4	549.3	5.6
MINURSO	61.7	58.1	(5.8)
UNMIK	47.5	46.3	(2.5)
MONUSCO	1 535.5	1 506.1	(1.9)
UNMIL	503.2	460.6	(8.5)
UNOCI	617.5	532.1	(13.8)
MINUSTAH	609.2	539.1	(11.5)
UNAMID	1 410.6	1 153.6	(18.2)
UNSOA	460.4	528.2	14.7
UNISFA	345.5	343.8	(0.5)
UNMISS	976.6	1 097.3	12.4

	2013/14	*2014/15*	*Percentage change increase (decrease)*
UNSMIS[a]	6.4	–	(100.0)
MINUSMA	608.7	895.6	47.1
MINUSCA	–	688.3	N/A
Total	**7 799.9**	**8 503.6**	**9.0**

Abbreviation: N/A, not applicable.
[a] Closed in 2012/13.

3. Figure IV.I illustrates the trend in the assessments for peacekeeping operations for fiscal year 2014/15 and the four preceding periods.

Figure IV.I
Assessed contributions
(Millions of United Sates dollars)



C. Voluntary contributions

4. In parallel with the growth in assessments, the level of voluntary contributions received in the current period was higher than in 2013/14, as shown in table IV.2. Of that increase, 31.5 per cent was attributable to the speeding up of the deployment of MINUSCA and expansion of MINUSMA.

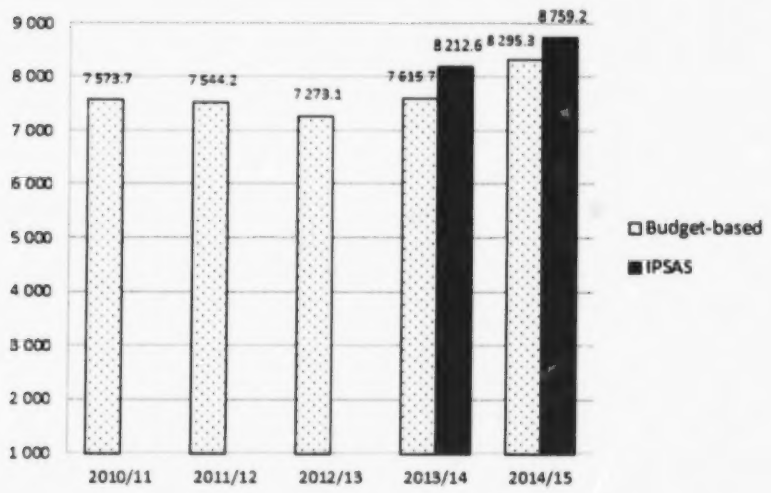
Table IV.2
Voluntary contributions
(Millions of United States dollars)

	2013/14	*2014/15*	*Percentage change increase (decrease)*
Monetary	25.2	26.5	5.2
Goods and rights-to-use			
Facilities	98.8	145.5	47.3
Landing rights	13.1	17.2	31.3
Other	7.5	6.2	(17.3)
Total	**144.6**	**195.4**	**35.1**

D. Expenses

5. Total expenses for the current year were $8,759.2 million, which was 6.7 per cent higher than 2013/14. Prior year expenses were restated pursuant to the changes in accounting policies for actuarial losses and provisions for credits due to Member States as described in paragraph 1 above. The budget-based, actual expenditure for 2014/15, shown in statement V, amounted to $8,295.3 million, which represented an 8.9 per cent increase over 2013/14. Figure IV.II illustrates the trends in expenses of peacekeeping operations for fiscal year 2014/15 and the four preceding periods.

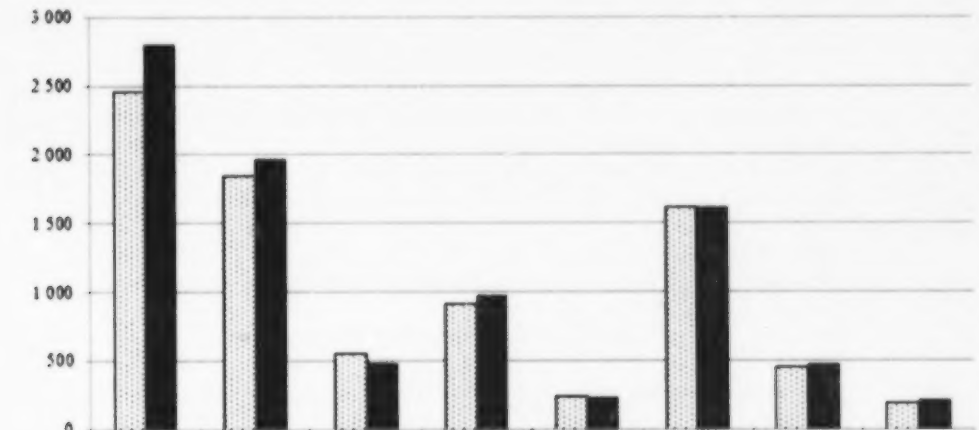
Figure IV.II
Trends in expenses of peacekeeping operations, 2010-2015
(Millions of United States dollars)



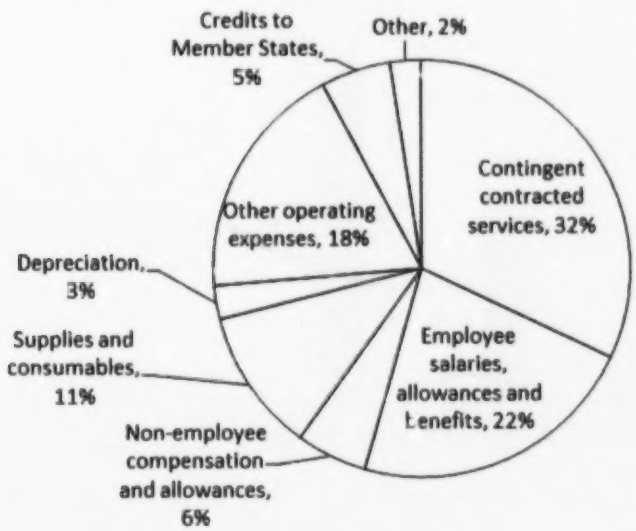
6. Figure IV.III presents the breakdown of expenses by nature and their proportion for 2014/15. Contingent contracted services accounted for 32 per cent

(30 per cent in 2013/14) of total expenses, followed by employee salaries, allowances and benefits at 22 per cent (22 per cent in 2013/14) and other operating expenses at 18 per cent (20 per cent in 2013/14).

Figure IV.III
Expenses by nature
(Millions of United States dollars)



	Contingent contracted services	Employee salaries, allowances and benefits	Non-employee compensation and allowances	Supplies and consumables	Depreciation	Other operating expenses	Credits to Member States	Other
□2013-14	2 457	1 837	549	905	230	1 608	440	187
■2014-15	2 805	1 969	483	972	227	1 618	477	209


Credits to Member States, 5%
Other, 2%
Contingent contracted services, 32%
Other operating expenses, 18%
Depreciation, 3%
Supplies and consumables, 11%
Employee salaries, allowances and benefits, 22%
Non-employee compensation and allowances, 6%

E. Status of assessed contributions receivable

7. Assessed contributions receivable pertaining to active peacekeeping missions increased by 66.8 per cent, from $673.7 million at the end of the prior year to $1,123.6 million at the end of the current year. The increase in unpaid assessed contributions was led mostly by UNAMID (an increase of $111.5 million), UNMISS (an increase of $194.4 million) and MINUSCA (an increase of $135.7 million). Full appropriations for those three missions were approved in the second half of 2014/15. Consequently, assessments were issued in the second half of the period, resulting in a smaller window of time for payment and the increase in unpaid balances.

8. The decrease in unpaid balances pertaining to closed missions was due mainly to the receipt of assessments for UNSMIS ($6.6 million) and increases in the recognition of doubtful receivables in UNMIS (an increase of $5.1 million) and MINURCAT (an increase of $2.6 million). Table IV.3 provides the status of unpaid assessments and figure IV.IV the trend in assessed contributions receivable.

Table IV.3

Assessed contributions receivable, net of allowance for doubtful accounts

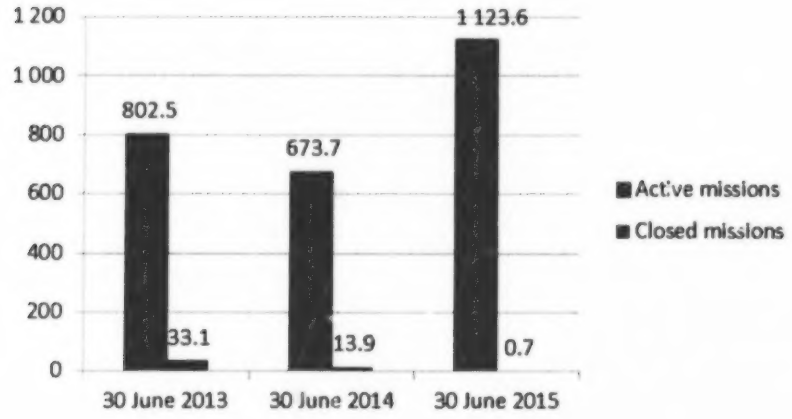
(Millions of United States dollars)

	30 June 2014	*30 June 2015*	*Percentage change increase (decrease)*
Active missions	673.7	1 123.6	66.8
Closed missions	13.9	0.7	(95.0)
Total	**687.6**	**1 124.3**	**63.5**

Figure IV.IV

Trend in assessed contributions receivable, net of allowance for doubtful accounts

(Millions of United States dollars)



F. Liquidity

9. Table IV.4 summarizes ratios of cash assets to liabilities for active peacekeeping missions as a measure of liquidity and provides a comparison with 30 June 2014. With the increase in outstanding assessed contributions in 2014/15, as discussed in paragraph 7 above, the overall ratio declined from 0.82 to 0.72. The chronic cash-strapped status of MINURSO and UNMIK persisted in 2014/15. Those two missions had to borrow from closed missions during the year, with the loan payable balance at 30 June 2015 standing at $6.0 million and $17.5 million for MINURSO and UNMIK, respectively.

Table IV.4
Ratio of cash assets to liabilities in active missions as at 30 June 2015
(Millions of United States dollars)

			Ratio of cash assets to liabilities	
	Cash assets[a]	*Liabilities*[b]	*30 June 2015*	*30 June 2014*
UNFICYP	10.7	13.5	0.79	0.17
UNDOF	18.0	13.9	1.29	0.47
UNIFIL	229.4	191.2	1.20	1.22
MINURSO	3.0	18.3	0.16	0.18
UNMIK	1.0	31.3	0.03	0.12
MONUSCO	209.8	402.8	0.52	0.53
UNMIL	65.1	143.9	0.45	0.74
UNOCI	84.9	153.3	0.55	0.99
MINUSTAH	143.6	150.8	0.95	0.99
UNAMID	168.3	340.9	0.49	0.85
UNSOA	143.9	133.6	1.08	1.19
UNISFA	151.8	131.8	1.15	0.74
UNMISS	164.4	344.3	0.48	0.96
MINUSMA	330.6	293.5	1.13	0.98
MINUSCA	119.6	202.0	0.59	0.19
Total	**1 844.1**	**2 565.1**	**0.72**	**0.82**

[a] Sum of cash and term deposits and cash pool.
[b] Represents total liabilities.

10. Table IV.5 summarizes the ratio of cash assets to liabilities under support activities. The Peacekeeping Reserve Fund is not included in the table since it is a cash flow mechanism for the start-up or expansion of peacekeeping operations and has no liabilities. Also excluded in the table are employee benefits funds for after-service health insurance, annual leave and repatriation grants, which are not funded and, hence, have no cash assets. The overall liquidity ratio of support activities included in table IV.5, which was healthy at 1.13 in the prior year, improved further to 1.90.

Table IV.5
Ratio of cash assets to liabilities as at 30 June 2015: support activities
(Millions of United States dollars)

			Ratio of cash assets to liabilities	
	Cash assets[a]	*Liabilities*[b]	*30 June 2015*	*30 June 2014*
Support account	47.5	43.4	1.09	0.83
UNLB — other activities	14.9	6.8	2.19	1.04
UNLB — strategic deployment stocks	102.5	3.3	31.06	2.17
Reserve for workers' compensation[c]	21.7	44.8	0.48	0.48
Total	**186.6**	**98.3**	**1.90**	**1.13**

[a] Sum of cash and term deposits and cash pool.
[b] Represents total liabilities.
[c] As the reserve shares the bank account of the General Fund, its interfund balance is considered as cash assets.

11. Table IV.6 summarizes the ratio of cash assets to liabilities for closed missions with cash surpluses (ratio greater than 1.00) and closed missions with cash deficits (ratio below 1.00). The only noticeable changes were favourable changes in UNSMIS and UNMIT.

Table IV.6
Ratio of cash assets to liabilities as at 30 June 2015: closed missions
(Millions of United States dollars)

			Ratio of cash assets to liabilities	
	Cash assets[a]	*Liabilities*[b]	*30 June 2015*	*30 June 2014*
Closed missions with cash surpluses				
UNSMIS	1.9	0.5	3.80	0.07
UNMIT	8.1	0.3	27.00	5.24
UNMIS	40.2	38.5	1.04	1.86
MINURCAT	50.8	16.8	3.02	2.36
UNOMIG	1.4	1.0	1.40	1.50
UNMEE	2.9	1.0	2.90	2.46
ONUB	2.3	1.0	2.30	2.30
UNAMSIL/UNOMSIL	6.2	5.1	1.22	1.15
UNMISET	3.9	1.9	2.05	2.11
UNIKOM	1.1	1.0	1.10	1.10
UNMIBH	5.2	4.5	1.16	1.13
UNMOT	0.1	–	N/M	1.10
MONUA/UNAVEM	15.4	5.3	2.91	2.87
UNPREDEP	6.6	6.1	1.08	1.07
UNTAES	5.3	4.7	1.13	1.11
UNOMIL	0.2	–	N/M	1.13

	Cash assets[a]	Liabilities[b]	Ratio of cash assets to liabilities	
			30 June 2015	30 June 2014
UNPF	83.0	46.8	1.77	1.52
UNMIH	14.2	12.7	1.12	1.15
UNAMIR/UNOMIR	16.2	5.7	2.84	2.82
ONUSAL	0.4	–	N/M	1.25
ONUMOZ	0.4	0.3	1.33	1.33
UNMLT	–	–	N/M	N/M
UNTAG	0.5	0.2	2.50	1.15
UNIIMOG	0.3	0.1	3.00	1.06
Subtotal	**264.7**	**153.0**	**1.73**	**1.68**
Closed missions with cash deficits				
UNSMIH/UNTMIH/MIPONUH	0.2	7.5	0.03	0.03
MINURCA	0.3	24.1	0.01	–
MINUGUA	–	0.1	–	–
UNOSOM	0.2	15.6	0.01	0.01
UNTAC	0.1	39.9	–	–
UNEF (1956)	–	40.4	–	–
ONUC	–	46.5	–	–
Subtotal	**0.8**	**174.1**	**–**	**–**
Total	**265.5**	**327.1**	**0.81**	**0.83**

Abbreviation: N/M, not meaningful.

[a] Sum of cash and term deposits and the cash pool.

[b] Represents total liabilities.

G. Property, plant and equipment

12. Table IV.7 presents the ratios of depreciation expense and acquisition of new assets to asset costs. The acquisition of new assets ratio (10.8 per cent) was higher than the depreciation expense ratio (7.6 per cent). Compared with the prior year, the cost of new assets acquired rose by 47.1 per cent from $218.2 million to $321.2 million, whereas the depreciation expense fell slightly by 1.4 per cent from $230.2 million to $226.7 million.

Table IV.7
Property, plant and equipment ratios
(Millions of United States dollars)

	Cost of assets	*Depreciation expense*	*Acquisition expense*	*Depreciation cost (per cent)*	*Acquisition cost (per cent)*
Buildings	860.8	60.8	58.2	7.1	6.8
Assets under construction	60.1	–	75.2	N/A	125.1
Infrastructure	417.8	24.8	0.8	5.9	0.2
Leasehold improvements	0.4	–	0.4	N/A	100.0
Furniture and fixtures	4.8	0.3	0.2	6.3	4.2
Communication and information technology equipment	370.8	39.1	41.1	10.5	11.1
Vehicles	861.8	67.2	94.7	7.8	11.0
Machinery and equipment	402.3	34.5	50.6	8.6	12.6
Total assets, 2014/15	**2 978.8**	**226.7**	**321.2**	**7.6**	**10.8**
Total assets, 2013/14	**2 834.8**	**230.2**	**218.2**	**8.1**	**7.7**

Abbreviation: N/A, not applicable.

13. While the acquisition expense rose above the depreciation expense, the fully depreciated assets also increased by 15.8 per cent, as shown in table IV.8. The portion of fully depreciated assets among the total assets (not shown) showed the same upward movement, from 18.3 per cent in 2013/14 to 20.1 per cent in 2014/15. On aggregate, the increases in both acquisition expense and fully depreciated assets indicate that the missions made more progress in adding new items of equipment than in replacing old ones.

Table IV.8
Cost of fully depreciated assets
(Millions of United States dollars)

	2013/14	*2014/15*	*Percentage change increase (decrease)*
Buildings	152.2	183.1	20.3
Furniture and fixtures	1.9	2.4	26.3
Communication and information technology equipment	120.3	139.8	16.2
Vehicles	176.2	189.9	7.8
Machinery and equipment	67.2	84.3	25.4
Total	**517.8**	**599.5**	**15.8**

H. Inventory

14. Owing to the nature of peacekeeping operations, which are undertaken in remote and hazardous areas, a slow rate of inventory turnover is inevitable.

Nevertheless, a favourable, although not significantly so, inventory turnover rate was noted in 2014/15. The inventory turnover ratio (average inventory balance divided by consumption) improved from 0.45 in the prior year to 0.52. Consequently, the number of days that inventory was held before use (days inventory outstanding) decreased from 811 days in 2013/14 to 702 days in 2014/15.

Table IV.9
Inventory turnover ratio
(Millions of United States dollars)

	Average inventory balance	*Consumption*	*Inventory turnover ratio*	*Days inventory outstanding*
Strategic reserves	98.2	45.5	0.46	793
Non-financial inventories	277.5	148.6	0.54	676
Total, 2014/15	**375.7**	**194.1**	**0.52**	**702**
Total, 2013/14	**386.4**	**175.4**	**0.45**	**811**

I. Strong progress

15. During 2014/15, the new ERP system, Umoja, took root more firmly in operations, strengthening internal control in accordance with IPSAS. Except for the support account, reimbursement for contingent services and accounting for equipment and inventory assets, all operations were accounted for within Umoja. In the forthcoming fiscal year, activities under the support account and reimbursement for contingent services will be undertaken within Umoja. The plan to fully migrate assets accounting to Umoja is under development. All these efforts herald stronger internal control and more efficient operations.

16. IPSAS, too, have become more firmly settled within peacekeeping operations. Several changes in accounting policies, as discussed in paragraph 1 above, brought the financial reporting of peacekeeping operations more aligned with IPSAS, which will ensure the sustainability of IPSAS-compliant reporting and the benefits to be driven therefrom.

Chapter V

Financial statements for the 12-month period from 1 July 2014 to 30 June 2015

I. Statement of financial position as at 30 June 2015

(Thousands of United States dollars)

	Note	30 June 2015	30 June 2014
Assets			
Current assets			
Cash and cash equivalents	6	576 391	491 997
Investments	21	1 051 025	812 610
Assessed contributions receivable	7	1 124 300	687 561
Voluntary contributions receivable	8	2 709	7 351
Other receivables	9	37 107	43 041
Inventories	10	362 611	388 708
Other assets	11	18 578	41 200
Total current assets		**3 172 721**	**2 472 468**
Non-current assets			
Investments	21	786 089	1 017 507
Property, plant and equipment	12	1 400 314	1 355 725
Total non-current assets		**2 186 403**	**2 373 232**
Total assets		**5 359 124**	**4 845 700**
Liabilities			
Current liabilities			
Accounts payable — Member States	13	836 374	764 193
Accounts payable — other	13	1 373 573	1 141 235
Advance receipts	14	7 373	17 173
Employee benefits liabilities	15	76 645	73 349
Provisions	16	483 311	468 291
Other liabilities	17	138 213	79 870
Total current liabilities		**2 915 489**	**2 544 111**
Non-current liabilities			
Employee benefits liabilities	15	1 510 609	1 347 082
Total non-current liabilities		**1 510 609**	**1 347 082**
Total liabilities		**4 426 098**	**3 891 193**
Net of total assets and total liabilities		**933 026**	**954 507**
Net assets			
Accumulated surpluses — unrestricted	18	671 653	693 134
Accumulated surpluses — restricted	18	111 373	111 373
Reserves	19		150 000
Total net assets		**933 026**	**954 507**

The notes are an integral part of these financial statements.

II. Statement of financial performance for the year ended 30 June 2015

(Thousands of United States dollars)

	Note	*For the year ended 30 June 2015*	*For the year ended 30 June 2014*
Revenue			
Assessed contributions	20	8 503 612	7 799 929
Voluntary contributions	20	195 385	144 673
Other contributions and allocations	20	15 651	4 223
Investment revenue	21	23 934	20 542
Other revenue	20	32 265	30 083
Total revenue		**8 770 847**	**7 999 450**
Expenses			
Employee salaries, allowances and benefits		1 969 128	1 837 090[a]
Contingent contracted services	22	2 804 697	2 456 834
Non-employee compensation and allowances		482 505	548 722
Grants and other transfers		24 277	14 574
Supplies and consumables		971 523	904 625
Depreciation	12	226 677	230 235
Impairment	12	6 863	7 077
Other operating expenses		1 618 335	1 608 262
Other expenses		177 744	165 496
Credits to Member States	23	477 410	439 646[b]
Total expenses		**8 759 159**	**8 212 561**
Surplus/(deficit) for the year		**11 688**	**(213 111)**

[a] Restated in accordance with change in accounting policy (see note 15, para. 106).
[b] Restated in accordance with change in accounting policy (see note 23).

The notes are an integral part of these financial statements.

III. Statement of changes in net assets for the year ended 30 June 2015

(Thousands of United States dollars)

	Accumulated surpluses (deficits) — unrestricted	*Accumulated surpluses — restricted*	*Reserves*	*Total*
IPSAS net assets as at 1 July 2013	**897 655**	**111 373**	**150 000**	**1 159 028**
Cancellation of prior period commitments	55 476	–	–	55 476
Other adjustments to net assets	3	–	–	3
Actuarial losses on employee benefits liabilities[a]	(46 889)	–	–	(46 889)
Total items recognized directly in net assets	**8 590**	**–**	**–**	**8 590**
Deficit for the year ended 30 June 2014	(213 111)	–	–	(213 111)
Total	**(204 521)**	**–**	**–**	**(204 521)**
Net assets as at 30 June 2014	**693 134**	**111 373**	**150 000**	**954 507**
Other adjustments to net assets[b]	3 826	–	–	3 826
Actuarial losses on employee benefits liabilities	(36 995)	–	–	(36 995)
Total items recognized directly in net assets	**(33 169)**	**–**	**–**	**(33 169)**
Surplus for the year ended 30 June 2015	11 688	–	–	11 688
Total	**(21 481)**	**–**	**–**	**(21 481)**
Net assets as at 30 June 2015	**671 653**	**111 373**	**150 000**	**933 026**

[a] Restated in accordance with change in accounting policy (see note 15, para. 106).

[b] Represents the correction of the opening balance in building and infrastructure assets of UNDOF and UNIFIL in the amount of $1.874 million and $1.952 million, respectively.

The notes are an integral part of these financial statements.

IV. Statement of cash flows for the year ended 30 June 2015

(Thousands of United States dollars)

	Note	*For the year ended 30 June 2015*	*For the year ended 30 June 2014*
Cash flows from operating activities			
Surplus/(deficit) for the year		**11 688**	**(213 111)**
Non-cash movements			
Depreciation	12	226 677	230 235
Impairment of property, plant and equipment	12	6 863	7 077
Changes in assets			
(Increase)/decrease in assessed contributions receivable	7	(436 739)	148 035
(Increase)/decrease in voluntary contributions receivable	8	4 642	(4 129)
(Increase)/decrease in other receivables	9	5 934	18 168
(Increase)/decrease in inventories	10	26 097	(4 592)
(Increase)/decrease in other assets	11	22 622	(24 272)
Changes in liabilities			
Increase/(decrease) in accounts payable — Member States	13	72 181	(324 368)
Increase/(decrease) in accounts payable — other	13	232 338	319 173
Increase/(decrease) in advance receipts	14	(9 800)	(948)
Increase/(decrease) in employee benefits liabilities	15	129 828	75 522
Increase/(decrease) in provisions	16	15 020	256 969
Increase/(decrease) in other liabilities	17	58 343	(33 778)
Investment revenue presented as investing activities	21	(23 934)	(20 542)
Net cash flows from operating activities		**341 760**	**429 439**
Cash flows from investing activities			
Pro rata share of net increases in cash pool investments		(6 997)	(183 020)
Investment revenue presented as investing activities	21	23 934	20 542
Net (increase)/decrease in property, plant and equipment		(278 129)	(185 830)
Net cash flows used in investing activities		**(261 192)**	**(348 308)**
Cash flows from financing activities			
Cancellation of prior period commitments		–	55 476
Adjustment to fund balances		3 826	42 941
Net cash flows from financing activities		**3 826**	**98 417**
Net increase in cash and cash equivalents		**84 394**	**179 548**
Cash and cash equivalents — beginning of year		491 997	312 449
Cash and cash equivalents — end of year	**6**	**576 391**	**491 997**

The notes are an integral part of these financial statements.

V. Statement of comparison of budget and actual amounts for year ended 30 June 2015

(Thousands of United States dollars)

Appropriated activities	*Budget*		*Actual expenditure budget basis*	*Difference*[a]
	Original	*Final*		*Percentage*
Active missions				
UNISFA	343 816	343 816	326 773	(4.96)
UNOCI	532 091	532 091	500 033	(6.02)
UNFICYP	63 600	63 600	58 317	(8.31)
MONUSCO	1 535 153	1 535 153	1 526 489	(0.56)
MINUSTAH	539 110	539 110	512 161	(5.00)
UNMIK	46 325	46 325	42 951	(7.28)
UNMIL	460 666	460 666	444 257	(3.56)
UNDOF	69 114	69 114	68 200	(1.32)
UNIFIL	549 323	549 323	532 968	(2.98)
UNMISS	1 097 315	1 097 315	1 042 380	(5.01)
MINURSO	60 198	60 198	58 235	(3.26)
UNAMID	1 153 611	1 153 611	1 089 065	(5.60)
UNSOA	528 208	528 208	524 129	(0.77)
MINUSMA	975 870	975 870	970 307	(0.57)
MINUSCA	628 724	628 724	613 156	(2.48)
Total active missions[b]	**8 583 124**	**8 583 124**	**8 309 421**	**(3.19)**
Less: prorated costs of support account	(335 579)	(335 579)	(335 579)	
Less: prorated costs of UNLB — other activities	(69 172)	(69 172)	(69 172)	
Total active missions, excluding prorated costs	**8 178 373**	**8 178 373**	**7 904 670**	**(3.35)**
Support activities				
Support account	326 047	326 047	324 167	(0.58)
UNLB — other activities	70 339	70 339	66 483	(5.48)
Total support activities	**396 386**	**396 386**	**390 650**	**(1.45)**
Total, in accordance with 2014-15 budget-based active missions and support activities	**8 574 759**	**8 574 759**	**8 295 320**	**(3.26)**

Non-appropriated activities	*Funding*	*Expenses*
UNLB — strategic deployment stock activities[c]	108 657	34 284
Reserve fund for workers' compensation[d]	4 095	2 217
Peacekeeping Reserve Fund[e]	–	1
Total non-appropriated activities	**112 752**	**36 502**

[a] Mission budget and actual expenditure include prorated costs for the support account and UNLB — other activities.
[b] Actual expenditure (budget basis) less final budget. Differences greater than 5 per cent are considered in note 5.
[c] Funding for strategic deployment stocks is based on current-period transfers to peacekeeping and political missions and other offices of $63.309 million and fund balances brought forward from the preceding period of $45.348 million.
[d] Funding for workers' compensation is allocated from active missions.
[e] Expenses of the Peacekeeping Reserve Fund represent bank fees and are met by the investment income of the Fund.

The notes are an integral part of these financial statements.

Notes to the financial statements

Note 1
Reporting entity

The United Nations and its activities

1. The United Nations is an international organization founded in 1945 after the Second World War. The Charter of the United Nations was signed on 26 June 1945 and became effective on 24 October 1945. The primary objectives of the United Nations are:

(a) The maintenance of international peace and security;

(b) The promotion of international economic and social progress and development programmes;

(c) The universal observance of human rights;

(d) The administration of international justice and law.

2. These objectives are implemented through the major organs of the United Nations, as follows:

(a) The General Assembly focuses on a wide range of political, economic and social issues, as well as financial and administrative aspects of the Organization;

(b) The Security Council is responsible for various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs, and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(c) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(d) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions.

3. The United Nations has its headquarters in New York and has major offices in Geneva, Vienna and Nairobi. It also has peacekeeping and political missions, economic commissions, tribunals, training institutes and other centres around the world.

The United Nations peacekeeping operations

4. These financial statements relate to the United Nations peacekeeping operations, a separate financial reporting entity of the United Nations for the purposes of IPSAS-compliant reporting.

5. United Nations peacekeeping, with a mandate to help countries affected by conflict to create conditions for lasting peace, began operations in 1948 with the creation of the first peacekeeping mission. Since then, 69 peacekeeping missions (2013/14: 69 missions) have been deployed by the United Nations, 56 of them since 1988.

6. United Nations peacekeeping operates under the direction of the Security Council; as deemed appropriate by a vote of the Council, peacekeeping missions are established, extended, amended or ended. Under Article 25 of the Charter, all States Members of the United Nations agree to accept and carry out the decisions of the Security Council; while other organs make recommendations to Member States, the Council alone has the power to take decisions that Member States are obligated to follow. United Nations peacekeeping has unique strengths, including legitimacy, burden-sharing and an ability to deploy and sustain troops and police from around the world, integrating them with civilian peacekeepers to advance multidimensional mandates. As at 30 June 2015, there were 15 active United Nations peacekeeping missions (30 June 2014: 15 active missions) deployed across four continents.

7. The peacekeeping operations are regarded as an autonomous reporting entity, which, due to the uniqueness of the governance and budgetary process of each of the reporting entities of the United Nations, neither controls nor is controlled by any other United Nations financial reporting entity, and which has no interests in associates, joint ventures or joint arrangements. Therefore, consolidation is not deemed applicable to the reporting entity, and these financial statements include only the activities of the United Nations peacekeeping operations.

Note 2
Basis of preparation and authorization for issue

Basis of preparation

8. In accordance with the Financial Regulations and Rules of the United Nations, the financial statements are prepared on an accrual basis in accordance with IPSAS. The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently in the preparation and presentation of these financial statements. In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of the United Nations peacekeeping operations, consist of the following:

(a) Statement I: statement of financial position;

(b) Statement II: statement of financial performance;

(c) Statement III: statement of changes in net assets;

(d) Statement IV: statement of cash flows (using the indirect method);

(e) Statement V: statement of comparison of budget and actual amounts;

(f) A summary of significant accounting policies and other explanatory notes.

Going concern

9. The going-concern assertion is based on the approval by the General Assembly of the budget appropriations for peacekeeping operations for the 2015/16 financial year, the positive historical trend of collection of assessed contributions over the past years and the fact that the Assembly and the Security Council have not made any decisions to cease the operations of peacekeeping operations.

Authorization for issue

10. These financial statements are certified by the Controller and approved by the Secretary-General of the United Nations. In accordance with financial regulation 6.2, the Secretary-General transmits these financial statements as at 30 June 2015 to the Board of Auditors by 30 September 2015. In accordance with financial regulation 7.12, the reports of the Board of Auditors are transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements.

Measurement basis

11. The financial statements are prepared using the historic cost convention except for financial assets, which are recorded at fair value through surplus or deficit.

Functional and presentation currency

12. The functional currency of the peacekeeping operations is the United States dollar; currencies other than the functional currency are considered foreign currencies for the purpose of financial accounting and reporting. The presentation currency of the peacekeeping operations is also the United States dollar; these financial statements are expressed in thousands of United States dollars unless otherwise stated.

13. Foreign currency transactions are translated into United States dollars at the United Nations operational rates of exchange (UNORE) at the date of the transaction. The UNORE approximate the spot rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the UNORE year-end rate. Non-monetary foreign currency items measured at historical cost or fair value are translated at the UNORE prevailing at the date of the transaction or when the fair value was determined.

14. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the statement of financial performance on a net basis.

Materiality and use of judgement and estimates

15. Materiality is central to the preparation and presentation of the financial statements of the peacekeeping operations and the materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would have an impact on the conclusions or decisions of the users of the financial statements.

16. Preparing financial statements in accordance with IPSAS requires the use of estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

17. Accounting estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions

that may result in material adjustments in future years include actuarial measurement of employee benefits; selection of useful lives and the depreciation and amortization methods for property, plant and equipment and intangible assets; impairment of assets; classification of financial instruments; valuation of inventory; inflation and discount rates used in the calculation of the present value of provisions; and classification of contingent assets and liabilities.

Future accounting pronouncements

18. The progress and impact of the following significant future accounting pronouncements by the IPSAS Board on the financial statements of the peacekeeping operations continues to be monitored:

(a) **Public sector specific financial instruments**. To develop this accounting guidance, the focus will be on issues related to public sector specific financial instruments that are outside the scope of those covered by IPSAS 28: Financial instruments: presentation; IPSAS 29: Financial instruments: recognition and measurement; and IPSAS 30: Financial instruments: disclosures;

(b) **Social benefits**. The objective is to identify the circumstances and manner in which expenses and liabilities of certain social benefits should be reflected in financial statements;

(c) **Public sector combinations**. The accounting treatment for public sector combinations will be prescribed and a new standard will be developed setting out the classification and measurement of public sector combinations, that is, transactions or other events that bring two or more separate operations into a single public sector entity;

(d) **Emissions trading schemes**. Issues related to emissions trading schemes will be considered, with the aim of developing a standard or standards that provide requirements to administrators and participants in such schemes;

(e) **Heritage assets**. The objective is to develop accounting requirements for heritage assets;

(f) **Non-exchange expenses**. The aim is to develop a standard or standards that provide recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits;

(g) **Revenue**. The aim is to develop one or more IPSAS standards covering revenue transactions (exchange and non-exchange). The scope is to develop new standard-level requirements and guidance on revenue to amend or supersede that currently located in IPSAS 9: Revenue from exchange transactions; IPSAS 11: Construction contracts; and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers).

Future requirements of IPSAS

19. On 30 January 2015, the IPSAS Board published five new standards: IPSAS 34: Separate financial statements; IPSAS 35: Consolidated financial statements; IPSAS 36: Investments in associates and joint ventures; IPSAS 37: Joint arrangements; and IPSAS 38: Disclosure of interests in other entities. These standards will become effective for periods commencing 1 January 2017; however,

as the peacekeeping operations have no activities that come under the scope of these standards, their effect is not expected to be material.

Note 3
Summary of significant accounting policies

Financial assets: classification

20. Classification of financial assets primarily depends on the purpose for which the financial assets are acquired. The peacekeeping operations classify financial assets in one of the categories shown below at initial recognition and re-evaluate the classification at each reporting date.

Classification	*Financial assets*
Fair value through surplus or deficit	Investments in cash pools
Loans and receivables	Cash and cash equivalents and receivables

21. All financial assets are initially measured at fair value. The peacekeeping operations initially recognize financial assets classified as loans and receivables on the date on which they originated. All other financial assets are recognized initially on the trade date, which is the date on which the peacekeeping operation becomes party to the contractual provisions of the instrument.

22. Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currencies are translated into United States dollars at the UNORE exchange rates prevailing at the reporting date with net gains or losses recognized in the surplus or deficit in the statement of financial performance.

23. Financial assets measured at fair value through surplus or deficit are those that have either been designated in this category at initial recognition, or are held for trading, or are acquired principally for the purpose of sale in the short term. These assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are recognized in the statement of financial performance in the period in which they arise.

24. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value, plus transaction costs, and are subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

25. Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in the statement of financial performance in the year in which they arise.

26. Financial assets are de-recognized when the rights to receive cash flows have expired or have been transferred and the peacekeeping operations have transferred substantially all risks and rewards of the financial asset. Financial assets and

liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial assets: investment in cash pools

27. The United Nations Treasury invests funds pooled from United Nations Secretariat entities and other participating entities. These pooled funds are combined in two internally managed cash pools. Participation in a cash pool implies sharing the risk and returns on investments among all pool participants. Since the funds are commingled and invested on a pool basis, each participant is exposed to the overall risk of the investment portfolio to the extent of the amount of cash invested.

28. The investments of the peacekeeping operations in the main pool are included as part of cash and cash equivalents, short-term investments and long-term investments in the statement of financial position, depending on the maturity period of the investment.

Financial assets: cash and cash equivalents

29. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

Financial assets: receivables from non-exchange transactions — contributions receivable

30. Contributions receivable represent uncollected revenue from assessed and voluntary contributions committed to the peacekeeping operations by Member States, non-Member States and other donors based on enforceable agreements. These non-exchange receivables are stated at nominal value, less allowance for doubtful receivables reflecting impairment for estimated irrecoverable amounts. Voluntary contributions receivable are subject to an allowance for doubtful receivables on the same basis as other receivables. For assessed contributions receivable, the allowance for doubtful receivables is calculated as follows:

(a) Receivables from Member States that are subject to Article 19 of the Charter on voting right restrictions in the General Assembly due to arrears equalling or exceeding the amount of the contributions due for the preceding two full years and that are past due in excess of two years: 100 per cent allowance;

(b) Receivables that are past due in excess of two years for which the General Assembly has granted special treatment as regards payment: UNEF, ONUC, unpaid assessed contributions which were transferred to a special account pursuant to General Assembly resolution 36/116 A, and unpaid assessed contributions of the former Yugoslavia: 100 per cent allowance;

(c) Receivables that are past due in excess of two years for which Member States have specifically contested the balance: 100 per cent allowance;

(d) Assessed contributions receivable that are past due in excess of two years related to missions that have been closed for over two years: 100 per cent allowance;

(e) For receivables with approved payment plans, no allowance for doubtful debt will be established; however, disclosures will be made in the notes to the financial statements.

Financial assets: receivables from exchange transactions — other receivables

31. Other receivables include primarily amounts receivable for goods or services provided to other entities, amounts receivable for operating lease arrangements and receivables from staff. Receivables from other United Nations reporting entities are also included in this category. Material balances of other receivables and voluntary contributions receivable are subject to specific review and an allowance for doubtful receivables is assessed on the basis of recoverability and ageing accordingly.

Other assets

32. Other assets include prepayments that are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

Inventories

33. Inventory balances are recognized as current assets and include the categories set out below.

Categories	*Subcategories*
Held for sale or external distribution	Books and publications, stamps
Raw materials and work in progress associated with items held for sale or external distribution	Construction materials and supplies, work in progress
Strategic reserves	Fuel reserves, bottled water and rations reserves, strategic deployment stocks, United Nations reserves
Consumables and supplies	Material holdings of consumables and supplies, spare parts, medicine

34. The cost of inventory in stock is determined using the average price cost basis. The cost of inventories includes the cost of purchase, plus other costs incurred in bringing the items to the destination and condition for use. Inventory acquired through non-exchange transactions, i.e., donated goods, are measured at fair value at the date of acquisition. Inventories held for sale are valued at the lower of cost and net realizable value. Inventories held for distribution at no or nominal charge or for consumption in the production of goods or services are valued at the lower of cost and current replacement cost.

35. The carrying amount of inventories is expensed when inventories are sold, exchanged, distributed externally or consumed by the United Nations peacekeeping operations. Net realizable value is the net amount that is expected to be realized from the sale of inventories in the ordinary course of operations. Current replacement cost is the estimated cost that would be incurred to acquire the asset.

36. Holdings of consumables and supplies for internal consumption are capitalized in the statement of financial position when material. Such inventories are valued using a methodology based on records available in the inventory management system, such as the Galileo system, which are validated through the use of thresholds, cycle counts and enhanced internal controls. Valuations are subject to impairment review, which takes into consideration the variances between moving average price valuation and current replacement cost, as well as slow-moving and obsolete items.

37. Inventories are subject to physical verification based on value and risk as assessed by management. Valuations are net of write-downs from cost to current replacement cost or net realizable value, which are recognized in the statement of financial performance.

Heritage assets

38. Heritage assets are not recognized in the financial statements but transactions related to significant heritage assets are disclosed in the notes to the financial statements.

Property, plant and equipment

39. Property, plant and equipment are classified into different groups of items of a similar nature and with similar functions, useful lives and valuation methodologies, such as vehicles; communications and information technology equipment; machinery and equipment; furniture and fixtures; and real estate assets (land, buildings, infrastructure and assets under construction). Recognition of property, plant and equipment is as follows:

(a) Property, plant and equipment are capitalized when their cost per unit is greater than or equal to the threshold of $20,000, or $100,000 for leasehold improvements and self-constructed assets. A lower threshold of $5,000 applies to five commodity groups: vehicles; prefabricated buildings; satellite communication systems; generators; and network equipment;

(b) All property, plant and equipment other than real estate assets are stated at historical cost, less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition, and the initial estimate of dismantling and site restoration costs;

(c) Owing to the absence of historical cost information, real estate assets are initially recognized at fair value using a depreciated replacement cost methodology. The method involves calculating the cost per unit of measurement, such as cost per square metre, by collecting construction data utilizing in-house cost data (where available) or external cost estimators for each catalogue of real estate assets, and multiplying this unit cost by the external area of the asset to obtain the gross replacement cost. Depreciation allowance deductions from the gross replacement cost to account for physical, functional and economic use of these assets are made to determine the depreciated replacement cost of the assets;

(d) For property, plant and equipment acquired at nil or nominal cost, such as donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire equivalent assets.

40. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land and assets under construction, which are not subject to depreciation. As not all components of a building have the same useful life or have the same maintenance, upgrade or replacement schedules, significant components of owned buildings are depreciated using the components approach. Depreciation commences in the month when the United Nations peacekeeping operation gains control over an asset in accordance with international commercial terms and no depreciation is charged in the month of the retirement or disposal. Given the expected pattern of usage of property, plant and equipment, the residual value is nil unless residual value is likely to be significant. The estimated useful lives of property, plant and equipment classes are set out below.

Class	*Subclass*	*Estimated useful life*
Communications and information technology equipment	Information technology equipment	4 years
	Communications and audiovisual equipment	7 years
Vehicles	Light-wheeled vehicles	6 years
	Heavy-wheeled and engineering support vehicles	12 years
	Specialized vehicles, trailers and attachments	6-12 years
Machinery and equipment	Light engineering and construction equipment	5 years
	Medical equipment	5 years
	Security and safety equipment	5 years
	Water treatment and fuel distribution equipment	7 years
	Transportation equipment	7 years
	Heavy engineering and construction equipment	12 years
	Printing and publishing equipment	20 years
Furniture and fixtures	Library reference material	3 years
	Office equipment	4 years
	Fixtures and fittings	7 years
	Furniture	10 years
Buildings	Temporary and mobile buildings	7 years
	Fixed buildings	Up to 50 years
	Finance lease or donated right-to-use buildings	Shorter of term of arrangement or life of building

Class	*Subclass*	*Estimated useful life*
Infrastructure assets	Telecommunications, energy, protection, transport, waste and water management, recreation, landscaping	Up to 50 years
Leasehold improvements	Fixtures, fittings and minor construction work	Shorter of lease term or 5 years

41. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation and property, plant and equipment are incorporated into the financial statements to reflect a residual value of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets.

42. The peacekeeping operations selected the cost model, instead of the revaluation model, for the measurement of property, plant and equipment after initial recognition. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the peacekeeping operations and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

43. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from the carrying amount. Those gains or losses are recognized in the statement of financial performance as part of other revenue or other expenses.

44. Impairment assessments are conducted during the annual physical verification process and when events or changes in circumstance indicate that carrying amounts may not be recoverable. Land, buildings and infrastructure assets with a year-end net book value greater than $100,000 are reviewed for impairment at each reporting date. The equivalent threshold for other property, plant and equipment items (excluding assets under construction and leasehold improvements) is $25,000.

Financial liabilities: classification

45. Financial liabilities are classified as other financial liabilities. They include accounts payable, unspent funds held for future refund and other liabilities such as balances payable to other United Nations system reporting entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with durations of less than 12 months are recognized at their nominal value. The peacekeeping operations re-evaluate the classification of financial liabilities at each reporting date and de-recognize financial liabilities when contractual obligations are discharged, waived, cancelled or expired.

Financial liabilities: accounts payable and accrued expenses

46. Accounts payable and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. Payables are recognized and subsequently measured at their nominal value as they are generally due within 12 months.

Advance receipts and other liabilities

47. Advance receipts are contributions received for future periods. Other liabilities consist of payments received in advance relating to exchange transactions, liabilities for conditional funding arrangements and other deferred revenue.

Leases: the peacekeeping operations as lessee

48. Leases of property, plant and equipment where a peacekeeping operation has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payment. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the lease term on the basis of the effective interest rate method.

49. Leases where all of the risks and rewards of ownership are not substantially transferred to a peacekeeping operation are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance as an expense on a straight-line basis over the period of the lease.

Leases: the peacekeeping operations as lessor

50. The peacekeeping operations lease out (act as a lessor) certain assets under operating leases. Assets subject to operating leases are reported under property, plant and equipment. Lease income from operating leases is recognized in the statement of financial performance over the lease term on a straight-line basis.

Donated rights to use

51. The peacekeeping operations occupy land and buildings and use infrastructure assets, machinery and equipment through donated right-to-use agreements granted primarily by host Governments at nil or nominal cost. Donated right-to-use arrangements are accounted for as operating leases or finance leases depending on whether or not an assessment of the agreement indicates that control of the underlying asset is transferred to the peacekeeping operation.

52. When a donated right-to-use arrangement is classified as an operating lease, an expense and a corresponding revenue equal to the annual market rent of similar property are recognized in the financial statements. Where a donated right-to-use arrangement is classified as a finance lease (principally with a lease term of over 35 years for premises), the fair market value of the property is capitalized and depreciated over the shorter of the term of the arrangement or the useful life of the property. In addition, a liability for the same amount is recorded and progressively recognized as revenue over the lease term.

53. Donated right-to-use land arrangements are accounted for as operating leases where the peacekeeping operation does not have exclusive control and title to the land is not transferred.

54. The thresholds for the recognition of revenue and expenses is yearly rental value equivalent to $20,000 for each donated right-to-use arrangement for land, buildings or infrastructure assets, and $5,000 per item for machinery and equipment assets.

Employee benefits

55. Employees are staff members, as described under Article 97 of the Charter, whose employment and contractual relationship with a peacekeeping operation are defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. Employee benefits are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

Short-term employee benefits

56. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. Short-term employee benefits comprise first-time employee benefits (assignment grants), regular daily, weekly or monthly benefits (wages, salaries and allowances), compensated absences (paid sick leave and maternity/paternity leave) and other short-term benefits (death grant, education grant, reimbursement of taxes and home leave) provided to current employees on the basis of services rendered. All such benefits that are accrued but not paid at the reporting date are recognized as current liabilities within the statement of financial position.

57. Home leave travel is available to eligible staff and dependants serving in qualifying countries. The liability represents the expected travel cost of the next home leave entitlement for qualifying staff, adjusted for the proportion of service yet to be performed until the benefit is vested. As home leave travel entitlements are claimed within relatively short periods of time, the effect of discounting for the time value of money is not material.

Post-employment benefits

58. Post-employment benefits comprise after-service health insurance, end-of-service repatriation benefits and annual leave, which are accounted for as defined-benefit plans, in addition to the pension provided through the United Nations Joint Staff Pension Fund.

Defined-benefit plans

59. Defined-benefit plans are those where the peacekeeping operations have an obligation to provide agreed benefits and therefore bear the actuarial risks. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The peacekeeping operations have elected to recognize changes in the liability valuation from actuarial gains and losses directly through the statement of changes in net assets. As at the reporting date, the peacekeeping operations did not hold any plan assets as defined by IPSAS 25: Employee benefits.

60. Defined-benefit liabilities are calculated by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds with maturity dates approximating those of the individual plans.

61. After-service health insurance provides worldwide coverage for medical expenses of eligible former staff members and their dependants. Upon end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007 and five years for those who were recruited prior to that date. The after-service health insurance liability represents the present value of the share of the peacekeeping operations of medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining the residual liability of the peacekeeping operations. Contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff is also deducted to arrive at the residual liability of the peacekeeping operations in accordance with the cost-sharing ratios authorized by the General Assembly.

62. Upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to repatriation benefits, comprising a repatriation grant based upon length of service and travel and removal expenses. A liability is recognized from when the staff member joins a peacekeeping operation and is measured as the present value of the estimated liability for settling these entitlements.

63. Annual leave represents unused accumulated compensated absence up to a maximum of 60 days, whereby an employee is entitled to a monetary settlement of the balance of unused annual leave days upon separation from service. Therefore, the peacekeeping operations recognize as a liability the actuarial value of the total accumulated leave days of all staff members as at the date of the statement of financial position. Annual leave benefits are considered to be a post-employment defined benefit and, as such, are recognized on the same actuarial basis as other defined-benefit plans.

Pension plan: United Nations Joint Staff Pension Fund

64. The peacekeeping operations form a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified by article 3 (b) of the Regulations of the Pension Fund, membership of the Fund is open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result that there is no consistent and reliable basis for allocating the obligations, plan assets and costs to individual organizations participating in the Fund. The peacekeeping operations, in line with other participating organizations, are not in a position to identify their proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the peacekeeping operations have treated this plan as if it were a defined-contribution plan in line with the requirements of IPSAS 25. Contributions by the peacekeeping operations to the Pension Fund during

the financial year are recognized as employee benefit expenses in the statement of financial performance.

Termination benefits

65. Termination benefits are recognized as an expense only when the peacekeeping operation is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan either to terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits will fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

Other long-term employee benefits

66. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service.

67. Appendix D to the Staff Rules governs compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Actuaries value these liabilities and actuarial gains or losses in the liability are recognized in the statement of changes in net assets.

Provisions

68. Provisions are liabilities recognized for future expenditure of an uncertain amount or timing. A provision is recognized if, as a result of a past event, the peacekeeping operation has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured as the best estimate of the amount required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount expected to be required to settle the obligation.

69. Uncommitted balances of the current-year appropriations and expired balances of the appropriations retained from prior years are required to be surrendered to the Member States. Investment income and other income are also returned to the Member States, together with the surrendered appropriations. At the reporting date, provisions are made for the surplus balances to be returned to the Member States with an adjustment to net assets. The surplus balances remain as provisions until the General Assembly decides the manner of their disposal.

Contingent liabilities

70. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations, or present obligations that arise from past events but are not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations or because the amount of the obligations cannot be reliably measured.

Contingent assets

71. Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations.

Commitments

72. Commitments are future expenses that are to be incurred on contracts entered into by the reporting date and that the peacekeeping operations have minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to the peacekeeping operations in future periods, non-cancellable minimum lease payments and other non-cancellable commitments.

Non-exchange revenue: assessed contributions

73. Assessed contributions for the peacekeeping operations are assessed and approved for a one-year budget period. Assessed contributions are recognized as revenue at the beginning of the year.

74. Assessed contributions include the amounts assessed to the Member States to finance the activities of the peacekeeping operations in accordance with the scale of assessments determined by the General Assembly. Revenue from assessed contributions from Member States and from non-Member States is presented in the statement of financial performance.

Non-exchange revenue: voluntary contributions

75. Voluntary contributions and other transfers that are supported by legally enforceable agreements are recognized as revenue at the time the agreement becomes binding, which is the point when a peacekeeping operation is deemed to acquire control of the asset. Where cash is received subject to specific conditions, however, recognition is deferred until those conditions have been satisfied.

76. Voluntary pledges and other promised donations that are not supported by binding agreements with terms of offer and acceptance are recognized as revenue upon the receipt of cash. Unused funds returned to the donor are netted against revenue (if those funds are recognized as revenue during the year) or shown as a reduction of net assets if the funds were recognized in the previous year.

77. Revenue received under inter-organizational arrangements represents allocations of funding from agencies to enable a peacekeeping organization to administer projects or other programmes on their behalf.

78. In-kind contributions of goods above the recognition threshold of $20,000 (per discrete contribution) are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the peacekeeping operations and the fair value of those assets can be measured reliably. For vehicles, prefabricated buildings, satellite communication systems, generators and network equipment a lower threshold of $5,000 applies. Contributions in kind are initially measured at their fair value at the date of receipt, determined by reference to observable market values or by independent appraisals. The peacekeeping

operations have elected not to recognize in-kind contributions of services, but to disclose in-kind contributions of services above the threshold of $20,000 in the notes to the financial statements.

79. Programme support cost is charged to trust funds and other "extrabudgetary" activities to ensure that the additional costs of supporting activities financed from extrabudgetary contributions are not borne by assessed funds and/or other core resources that are central to the budget process at the United Nations Secretariat. The programme support cost charge agreed upon with the donor is included as part of voluntary contributions. It is expressed as a percentage of direct costs (actual expenditure and unliquidated obligations).

Exchange revenue

80. Exchange transactions are those where the peacekeeping operations sell goods or services in exchange for compensation. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria as described below have been met:

(a) Revenue from sales of publications, books and stamps and from sales by the United Nations Gift Shop and visitor services is recognized when the sale occurs and risks and rewards have been transferred;

(b) Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to Governments, United Nations entities and other partners is recognized when the service is performed;

(c) Exchange revenue also includes income from the rental of premises, the sale of used or surplus property and income from net gains resulting from currency exchange adjustments.

Investment revenue

81. Investment revenue includes the share of the peacekeeping operations of net cash pool income and other interest income. The net cash pool income includes any gains or losses on the sale of investments, which are calculated as the difference between the sale proceeds and book value. Transaction costs that are directly attributable to investment activities are netted against income and the net income is distributed proportionately to all cash pool participants based on their average daily balances. The cash pool income also includes the value of unrealized market gains and losses on securities, which is distributed proportionately to all participants based on year-end balances.

Expenses

82. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

83. Employee salaries include international, national and general temporary staff salaries, post adjustment and staff assessment. The allowances and benefits include

other staff entitlements, including pension and insurance subsidies and staff mission subsistence, assignment, repatriation, hardship and other allowances. Expenses for contingent contracted services relate to troop costs, contingent self-sustainment costs, contingent-owned equipment reimbursements and compensation for troop death and disability costs. Non-employee compensation and allowances consist of living allowances and post-employment benefits for United Nations Volunteers, consultant fees, and mission subsistence and clothing allowances and death and disability, residual security and welfare costs for military observers and civilian police. Supplies and consumables expenses relate to spare parts for facilities, vehicles, machinery and equipment, and communications and information technology equipment, in addition to petroleum, oil and lubricant costs. This category of expenses also includes rations, medical supplies, uniforms and safety and security supplies. Other operating expenses include maintenance, travel, consultancies, security services, shared services, rental, insurance, allowance for bad debts and write-off expenses.

Note 4
Segment reporting

84. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and to make decisions about the future allocation of resources.

85. United Nations peacekeeping classifies its operations into three segments:

(a) *Active missions*

• MINURSO	• MINUSMA	• UNIFIL	• UNAMID	• UNOCI
• MINUSTAH	• UNFICYP	• UNISFA	• UNMISS	• UNMIL
• MONUSCO	• MINUSCA	• UNMIK	• UNDOF	• UNSOA

(b) *Closed missions*

• MINUGUA	• UNAMIR/ UNOMUR	• UNIIMOG	• UNMOT	• ONUB
• MINURCAT	• UNTAES/ UNPSG	• UNIKOM	• UNMLT	• ONUC
• UNPREDEP	• UNAMSIL/ UNOMSIL	• UNOSOM	• UNSMIS	• UNPF
• ONUMOZ	• UNMISET/ UNTAET	• UNOMIG	• UNTAG	• UNMIS
• MINURCA	• MONUA/ UNAVEM	• UNOMIL	• UNEF (1956)	• UNMIT
• UNMIBH	• UNMEE	• ONUSAL	• UNTAC	• UNMIH
• MIPONUH/ UNSMIH/ UNTMIH				

(c) *Support activities*

- Support account for peacekeeping operations
- Peacekeeping Reserve Fund
- Employee Benefits Funds
- UNLB/strategic deployment stocks

86. The segment revenue, expenses, assets and liabilities for the current and prior years are set out below.

(Thousands of United States dollars)

Current year	*Active missions*	*Closed missions*	*Support activities*	*Eliminations*	*Total 2014/15*
Segment revenue					
Assessed contributions	8 503 612	–	–	–	8 503 612
Voluntary contributions	191 709	–	3 676	–	195 385
Transfers and allocations	42 249	–	483 105	(509 703)[a]	15 651
Other external sources	45 818	6 363	4 018	–	56 199
Total revenue	**8 783 388**	**6 363**	**490 799**	**(509 703)**	**8 770 847**
Total segment expense	**8 689 900**	**26 205**	**551 918**	**(508 864)[a]**	**8 759 159**
Segment assets	4 672 560	306 770	451 928	(72 134)[b]	5 359 124
Segment liabilities	2 565 145	327 440	1 605 647	(72 134)[b]	4 426 098

[a] $408.845 million for allocation from active missions to support activities (which for revenue includes a $0.839 million transfer to the support account), $59.612 million for transfer of strategic deployment stocks to missions and $40.407 million for transfer of assets between peacekeeping missions.

[b] $47.136 million for cross-borrowings between missions and $24.998 million for inter-mission receivables.

(Thousands of United States dollars)

Prior year	*Active missions*	*Closed missions*	*Support activities*	*Eliminations*	*Total 2013/14*
Segment revenue					
Assessed contributions	7 793 517	6 412	–	–	7 799 929
Voluntary contributions	140 381	–	4 292	–	144 673
Transfers and allocations	15 479	–	411 085	(422 341)[a]	4 223
Other external sources	43 800	3 597	3 228	–	50 625
Total revenue	**7 993 177**	**10 009**	**418 605**	**(422 341)**	**7 999 450**
Total segment expense	**8 031 560**	**9 480**	**592 616**	**(421 095)[a]**	**8 212 561**
Segment assets	4 175 416	358 816	421 064	(109 596)[b]	4 845 700
Segment liabilities	2 165 315	359 644	1 475 830	(109 596)[b]	3 891 193

[a] $386.044 million for allocation from active missions to support activities, $19.477 million for transfer of strategic deployment stocks to missions, $15.574 million for transfer of assets between peacekeeping missions and $1.246 million in revenue for allocation from net assets of the Peacekeeping Reserve Fund to the support account.

[b] $32.420 million for borrowings from the Peacekeeping Reserve Fund, $74.636 million for cross-borrowings between missions and $2.540 million for inter-mission receivables.

Note 5
Comparison to budget

87. Statement V: The statement of comparison of budget and actual amounts presents the difference between budget amounts, which are prepared on a modified cash basis, and actual expenditure on a comparable basis.

88. Approved budgets are those that permit expenses to be incurred and are approved by the General Assembly. For IPSAS reporting purposes, approved budgets are the appropriations authorized for each mission under General Assembly resolutions.

Material differences

89. The original budget amounts are the appropriations approved on 30 June 2014 by the General Assembly for the financial year from 1 July 2014 to 30 June 2015. The final budget reflects the original budget appropriation with any amendments by the General Assembly. Differences between original and final budget amounts are considered in the table below.

90. Material differences between the final budget appropriation and actual expenditure on a modified accrual basis are deemed to be those greater than 5 per cent and are also considered below.

Mission	*General Assembly resolution*	*Note*
UNISFA	69/294	Non-material difference
UNOCI	69/258 B	**Expenditure 6.02% ($32.1 million) less than final appropriation:** The underexpenditures were due mainly to changes in the exchange rate of the local currency by an average of 15 per cent, an increase of more than 4 per cent in the vacancy rate for all uniformed personnel and a lower than planned number of civilian staff. The gradual drawdown of the mission resulted in a reduction of the aviation fleet and flights
UNFICYP	68/286	**Expenditure 8.31% ($5.3 million) less than final appropriation:** The underexpenditures were due mainly to a decrease in civilian personnel expenditure by $2.2 million and facilities and infrastructure expenditure by $1.1 million
MONUSCO	69/297	Non-material difference
MINUSTAH	68/289	Non-material difference
UNMIK	68/290	**Expenditure 7.28% ($3.4 million) less than final appropriation:** The underexpenditures were due mainly to a decrease in civilian personnel expenditure by $2.9 million
UNMIL	69/259 B	Non-material difference
UNDOF	68/260 B	Non-material difference

Mission	*General Assembly resolution*	*Note*
UNIFIL	68/292	Non-material difference
UNMISS	69/260	**Expenditure 5.01% ($54.9 million) less than final appropriation:** The underexpenditures were due mainly to the lower than planned deployment of military contingent and formed police unit personnel resulting in underspending of $40.2 million
MINURSO	68/296	Non-material difference
UNAMID	69/261	**Expenditure 5.60% ($64.5 million) less than final appropriation:** The underexpenditures were due mainly to the lower than planned deployment of military and police personnel resulting in underspending of $20.4 million. Lower prices for fuel and non-deployment of four rotary-wing aircraft resulted in lower operating costs
UNSOA	68/298	Non-material difference
MINUSMA	69/289	Non-material difference
MINUSCA	69/257	Non-material difference
Support account	68/283	Non-material difference
UNLB — other activities	68/284	**Expenditure 5.48% ($3.9 million) less than final appropriation:** The underexpenditures were due mainly to the exchange rate of the euro and the reduction in post adjustment for civilian personnel

91. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts and the actual amounts in the statement of cash flows is reflected in the table below.

Budget reconciliation for the year ended 30 June 2015

(Thousands of United States dollars)

	Operating	*Investing*	*Financing*	*Total*
Actual amount on comparable basis (statement V)	**(8 295 320)**	–	–	**(8 295 320)**
Basis differences	700 439	(278 129)	–	422 310
Presentation differences	7 951 614	16 937	(11 147)	7 957 404
Actual amount in statement of cash flows (statement IV)	**356 733**	**(261 192)**	**(11 147)**	**84 394**

Budget reconciliation for the year ended 30 June 2014

(Thousands of United States dollars)

	Operating	*Investing*	*Financing*	*Total*
Actual amount on comparable basis (statement V)	**(7 614 886)**	–	–	**(7 614 886)**
Basis differences	646 872	(185 830)	–	461 042
Presentation differences	7 397 453	(162 478)	98 417	7 333 392
Actual amount in statement of cash flows (statement IV)	**429 439**	**(348 308)**	**98 417**	**179 548**

92. Basis differences capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results to the statement of cash flows, the modified cash elements, such as unliquidated obligations which are commitments against the budget but do not represent a cashflow and payments against prior year obligations which do not apply to the budget year, must be eliminated. Similarly, IPSAS-specific differences such as investing cash flows relating to acquisition of property, plant and equipment or intangibles and indirect operating cash flows relating to changes in receivables due to movements in the allowance for doubtful receivables and accrued liabilities, are included to reconcile the budgetary results to the statement of cash flows.

93. Entity differences represent cash flows of fund groups other than those of the peacekeeping operations that are reported in the financial statements. The financial statements include results for all fund groups.

94. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As the budget reflects the reporting period, there are no timing differences.

95. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts, which include the latter not presenting either income or the net changes in cash pool balances. Other presentation differences are that the amounts included in the statement of comparison of budget and actual amounts are not separated from the operating, investing and financing activities.

Note 6
Cash and cash equivalents

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Cash at bank and on hand	5 625	63 046
Cash pool cash and term deposits — original maturity of less than three months	570 766	428 951
Total cash and cash equivalents	**576 391**	**491 997**

Note 7
Receivables from non-exchange transactions: assessed contributions

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Assessed contributions	1 733 929	1 292 555
Allowance for doubtful receivables	(609 629)	(604 994)
Total assessed contributions receivable	**1 124 300**	**687 561**

Note 8
Receivables from non-exchange transactions: voluntary contributions

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Voluntary contributions	7 953	13 144
Allowance for doubtful receivables	(5 244)	(5 793)
Total voluntary contributions receivable	**2 709**	**7 351**

Note 9
Other receivables

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Member States	136 607	133 733
Receivables from United Nations related party entities	19 625	22 328
Other exchange revenue receivables	16 189	20 855
Allowance for doubtful receivables	(135 314)	(133 875)
Total other receivables	**37 107**	**43 041**

Note 10
Inventories

(Thousands of United States dollars)

	Strategic reserves	*Consumables and supplies*	*Total*
Opening inventory as at 1 July 2013	**109 048**	**275 068**	**384 116**
Purchased in prior year	34 888	145 110	179 998
Consumption in prior year	(37 421)	(137 981)	(175 402)
Impairment and write-offs in prior year	(4)	–	(4)
Total inventory as at 30 June 2014	**106 511**	**282 197**	**388 708**

	Strategic reserves	*Consumables and supplies*	*Total*
Purchased in year	30 125	139 115	169 240
Consumption in year	(45 542)	(148 581)	(194 123)
Impairment and write-offs in year	(1 214)	–	(1 214)
Total inventory as at 30 June 2015	**89 880**	**272 731**	**362 611**

Note 11
Other assets

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Deferred charges	11 392	11 556
Accrued cash pool investment income	3 697	3 711
Other assets relating to United Nations related party entities	195	11 943
Other	3 294	13 990
Total other assets	**18 578**	**41 200**

Note 12
Property, plant and equipment

96. During the year, the peacekeeping operations wrote down property, plant and equipment by $31.0 million (2013/14: $9.0 million), at net book value. Equipment was written down by $6.9 million (2013/14: $4.6 million), on account of accidents ($2.0 million (2013/14: $1.7 million)), malfunctions ($0.3 million (2013/14: $0.9 million)), hostile action or natural disasters ($1.2 million (2013/14: $0.8 million)) and other losses ($3.4 million (2013/14: $1.2 million)). Buildings and assets under construction were written down by $24.1 million (2013/14: $4.4 million), owing to hostile actions or abandonment ($17.5 million (2013/14: nil)), relocation or closure of sites ($6.5 million (2013/14: $3.1 million)) and donations to host Governments ($0.1 million (2013/14: $1.3 million)). As at the reporting date, the peacekeeping operations did not identify any additional impairment.

97. The peacekeeping operations had no (2013/14: none) significant heritage assets as at the reporting date.

(Thousands of United States dollars)

	Buildings	*Infrastructure*	*Leasehold improvements*	*Furniture and fixtures*	*Communications and information technology equipment*	*Vehicles*	*Machinery and equipment*	*Assets under construction*	*Total*
Current year									
Opening, 30 June 2014									
Cost	840 694	393 604	–	4 695	353 938	821 570	370 347	50 024	2 834 872
Accumulated depreciation	(445 620)	(115 286)	–	(2 859)	(228 725)	(496 130)	(190 527)	–	(1 479 147)
Net book value	**395 074**	**278 318**	**–**	**1 836**	**125 213**	**325 440**	**179 820**	**50 024**	**1 355 725**
Movements									
Additions	58 188	775	422	196	41 068	94 667	50 599	75 264	321 179
Disposals	(24 531)	(5 231)	–	(71)	(4 760)	(4 971)	(3 803)	–	(43 367)
Depreciation	(60 757)	(24 819)	(42)	(271)	(39 124)	(67 195)	(34 469)	–	(226 677)
Impairment	(1 208)	(259)	–	(3)	(273)	(2 899)	(2 221)	–	(6 863)
Net transfers	(898)	–	–	–	(1 304)	2 667	(148)	–	317
Completed assets under construction	29 753	35 393	–	–	–	–	–	(65 146)	–
Total movements	**547**	**5 859**	**380**	**(149)**	**(4 393)**	**22 269**	**9 958**	**10 118**	**44 589**
Closing, 30 June 2015									
Cost	860 794	417 807	422	4 774	370 801	861 746	402 298	60 142	2 978 784
Accumulated depreciation	(465 173)	(133 630)	(42)	(3 087)	(249 981)	(514 037)	(212 520)	–	(1 578 470)
Net book value	**395 621**	**284 177**	**380**	**1 687**	**120 820**	**347 709**	**189 778**	**60 142**	**1 400 314**

(Thousands of United States dollars)

	Buildings	*Infrastructure*	*Furniture and fixtures*	*Communications and information technology equipment*	*Vehicles*	*Machinery and equipment*	*Assets under construction*	*Total*
Prior year								
Opening, 1 July 2013								
Cost	826 891	362 659	4 119	324 072	829 153	357 317	26 823	2 731 034
Accumulated depreciation	(400 101)	(92 714)	(2 586)	(204 174)	(458 711)	(165 541)	–	(1 323 827)
Net book value	**426 790**	**269 945**	**1 533**	**119 898**	**370 442**	**191 776**	**26 823**	**1 407 207**
Movements								
Additions	23 521	–	1 276	50 867	37 500	30 968	74 105	218 237
Disposals	(4 318)	(3 683)	(557)	(5 549)	(7 503)	(4 131)	–	(25 741)
Depreciation	(62 715)	(23 863)	(422)	(41 427)	(68 321)	(33 487)	–	(230 235)
Impairment	(2 536)	(466)	–	(247)	(1 267)	(2 561)	–	(7 077)
Net transfers	(514)	327	6	1 671	(5 411)	(2 745)	–	(6 666)
Completed assets under construction	14 846	36 058	–	–	–	–	(50 904)	–
Total movements	**(31 716)**	**8 373**	**303**	**5 315**	**(45 002)**	**(11 956)**	**23 201**	**(51 482)**
Closing, 30 June 2014								
Cost	840 694	393 604	4 695	353 938	821 570	370 347	50 024	2 834 872
Accumulated depreciation	(445 620)	(115 286)	(2 859)	(228 725)	(496 130)	(190 527)	–	(1 479 147)
Net book value	**395 074**	**278 318**	**1 836**	**125 213**	**325 440**	**179 820**	**50 024**	**1 355 725**

Note 13
Accounts payable

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Vendor payables	203 832	195 847
Accruals for goods and services	1 108 519	882 735
Payables to United Nations related party entities	15 083	17 369
Other	46 139	45 284
Subtotal	**1 373 573**	**1 141 235**
Member States accounts payable	836 374	764 193
Total accounts payable	**2 209 947**	**1 905 428**

Note 14
Advance receipts

98. Advance receipts of $7.4 million (2013/14: 17.2 million) relate to contributions received which will be applied to the subsequent years' assessment.

Note 15
Employee benefits liabilities

(Thousands of United States dollars)

	Current	*Non-current*	*Total*
Year ended 30 June 2015			
After-service health insurance	17 737	1 174 601	1 192 338
Annual leave	9 074	124 999	134 073
Repatriation benefits	14 307	166 616	180 923
Appendix D/workers' compensation	449	44 393	44 842
Subtotal defined benefit liabilities	**41 567**	**1 510 609**	**1 552 176**
Accrued salaries and allowances	35 078	–	35 078
Total employee benefits liabilities	**76 645**	**1 510 609**	**1 587 254**
Year ended 30 June 2014			
After-service health insurance	15 828	1 020 779	1 036 607
Annual leave	9 767	121 221	130 988
Repatriation benefits	15 272	163 979	179 251
Appendix D/workers' compensation	415	41 103	41 518
Subtotal defined benefit liabilities	**41 282**	**1 347 082**	**1 388 364**
Accrued salaries and allowances	32 067	–	32 067
Total employee benefits liabilities	**73 349**	**1 347 082**	**1 420 431**

99. The liabilities arising from post-employment benefits are determined by independent actuaries and are established in accordance with the Staff Rules and Staff Regulations. Actuarial valuation is usually undertaken every two years. The most recent actuarial valuation was conducted as at 31 December 2013 and the valuation has been rolled forward to 30 June 2015.

Actuarial valuation: assumptions

100. The peacekeeping operations review and select assumptions and methods used by the actuaries in the year-end valuation to determine the expense and contribution requirements for employee benefits. The principal actuarial assumptions used to determine the employee benefit obligations are shown below.

(Percentage)

Actuarial assumptions	*After-service health insurance*	*Repatriation benefits*	*Annual leave*
Discount rates (30 June 2014)	3.93	3.70	3.83
Discount rates (30 June 2015)	3.74	3.79	3.92
Expected rate of medical cost increase (30 June 2014)	5.0-7.3	–	–
Expected rate of medical cost increase (30 June 2015)	5.0-6.8	–	–
Travel costs increase (30 June 2014)	–	2.50	–
Travel costs increase (30 June 2015)	–	2.25	–

101. Discount rates are based on a weighted blend of three discount rate assumptions based on the currency denomination of the different cash flows: United States dollars (Citigroup Pension Discount Curve), euros (euro area government yield curve) and Swiss francs (Federation bonds yield curve).

102. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The health-care costs trend rate assumption is revised to reflect the current short-term expectations of the after-service health insurance plan cost increases and economic environment. Medical costs trend assumptions that were used for the valuation as at 31 December 2013, which included escalation rates for future years, were maintained for roll-forward, since no significant evolution regarding the medical trend has been observed. At 30 June 2015, these escalation rates were a flat health-care yearly escalation rate of 5.0 per cent (2013/14: 5.0 per cent) for non-United States medical plans, escalation rates of 6.8 per cent (2013/14: 7.3 per cent) for the United States medical non-Medicare plans, 6.1 per cent (2013/14: 6.3 per cent) for the United States medical Medicare plan, and 5.0 per cent (2013/14: 5.0 per cent) for the United States dental plan. These escalation rates were assumed to grade down to 4.5 per cent and 5.0 per cent for the financial year 2024 for United States plans and non-United States plans, respectively.

103. With regard to valuation of repatriation benefits as at 31 December 2013 and the 30 June 2014 roll-forward, inflation in travel costs was based on the projected United States inflation rate over the next 10 years. For the 30 June 2015 roll-forward valuation, the assumption was decreased to 2.25 per cent (2013/14: 2.50 per cent) to take into consideration the decrease observed with respect to these references.

104. Annual leave balances were assumed to increase at the following annual rates during the staff member's projected years of service: 1-3 years — 10.9 days; 4-8 years — 1 day; and over 8 years — 0.5 days up to the maximum 60 days. This assumption was maintained for the roll-forward of peacekeeping accounts.

105. For defined-benefit plans, assumptions regarding future mortality are based on published statistics and mortality tables. Salary increases, retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation. Mortality assumptions for appendix D/workers' compensation are based on World Health Organization statistical tables.

Movement in employee benefits liabilities accounted for as defined-benefits plans

(Thousands of United States dollars)

	2014/15	*2013/14*
Net defined-benefit liability at 1 July	**1 388 364**	**1 175 130**
Current service cost	117 153	112 301
Interest cost	51 733	47 926
Benefits paid	(42 069)	(36 820)
Total net costs recognized in the statement of financial performance	**126 817**	**123 407**
Actuarial losses recognized directly in the statement of changes in net assets[a]	36 995	89 827
Net defined benefit liability at 30 June	**1 552 176**	**1 388 364**

[a] The cumulative amount of actuarial gains and losses recognized in the statement of changes in net assets is $126.822 million (2013/14: $89.827 million).

Change in accounting policy: recognition of actuarial gains/losses

106. In order to align accounting policies with respect to recognition of actuarial gains/losses on defined-benefit employee benefit liabilities with other United Nations Secretariat reporting entities to provide more relevant information to users, the peacekeeping operations changed their accounting policy so that actuarial gains/losses, previously recognized as an expense in the statement of financial performance, are recognized directly in net assets through the statement of changes in net assets. This change results in the 2013/14 prior-year comparatives being restated in these financial statements. There is no impact on net assets. The effect on the prior year statement of financial performance is a $89.827 million reduction to employee salaries, allowances and benefits expenses (from $1,926.917 million to $1,837.090 million), which reduces total expenses (from $7,862.742 million to $7,772.915 million) and results in a corresponding increase in the surplus for the year (from $136.708 million to $226.535 million). The other references to these balances in the statement of changes in net assets, the statement of cash flows and the tables in this note have been updated to reflect these restated amounts.

Discount rate sensitivity analysis

107. The changes in discount rates are driven by the discount curve, which is calculated on the basis of corporate and government bonds. The bond markets were volatile during the reporting period, and volatility has an impact on the discount rate assumption. Should the discount rate assumption vary by 1 per cent, its impact on the obligations would be as shown in the table below.

(Thousands of United States dollars)

	After-service health insurance	*Repatriation benefits*	*Annual leave*
2014/15			
Increase of discount rate by 1 per cent	(206 804)	(17 513)	(13 058)
As a percentage of end-of-year liability	(17)	(10)	(10)
Decrease of discount rate by 1 per cent	276 040	19 550	15 363
As a percentage of end-of-year liability	23	11	11
2013/14			
Increase of discount rate by 1 per cent	(179 496)	(17 365)	(12 768)
As a percentage of end-of-year liability	(17)	(10)	(10)
Decrease of discount rate by 1 per cent	239 498	19 387	15 024
As a percentage of end-of-year liability	23	11	11

Medical cost sensitivity analysis

108. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability due to changes in the medical cost rates while holding other assumptions constant, such as the discount rate. Should the medical cost trend assumption vary by 1 per cent, this would have an impact on the measurement of the defined benefit obligations as shown in the table below.

(Thousands of United States dollars)

	2014-15		*2013-14*	
	Increase	*Decrease*	*Increase*	*Decrease*
1 per cent movement in the assumed medical cost trend rates:				
Effect on the after-service health insurance defined-benefit obligation	293 835	(222 288)	255 457	(193 255)
Effect on the aggregate of the current service cost and interest cost	40 352	(29 758)	35 082	(25 872)

Other defined-benefit plan information

109. The General Assembly, in its resolution 67/257 of 3 June 2013, endorsed the decision of the International Civil Service Commission to support the recommendation of the Pension Fund to raise the mandatory age of retirement to 65 years for new staff effective 1 January 2014. Actuaries determined that this increase in the normal age of retirement would not have a material effect on the valuation of these liabilities. Estimated benefit payments for 2015/16 and historical information concerning liabilities are shown below.

(Thousands of United States dollars)

	After-service health insurance	*Repatriation benefits*	*Annual leave*	*Total*
Estimated 2015/16 defined-benefit payments, net of participant contributions	18 401	14 850	9 429	**42 680**

Historical information: total after-service health insurance, annual leave and repatriation defined-benefits liability, as at 30 June

(Thousands of United States dollars)

	2014	*2013*	*2012*	*2011*	*2010*
Present value of defined-benefit obligations	1 346 846	1 183 133	1 143 154	709 785	578 486

Accrued salaries and allowances

110. Other liabilities as at the reporting date consist of accruals for home leave of $19.6 million (2013/14: $16.3 million), repatriation and resettlement allowance of $7.2 million (2013/14: $6.9 million), family visits of $4.8 million (2013/14: $4.7 million), education grant travel of $2.2 million (2013/14: $3.6 million) and compensatory time off of $1.3 million (2013/14: $0.5 million).

Fund for peacekeeping compensation payments — appendix D/workers' compensation

111. The fund for peacekeeping compensation payments relates to the payment of compensation with respect to death, injury or illness attributable to the performance of official duties. The rules governing the compensation payments are under appendix D to the Staff Rules. The fund allows the peacekeeping operations to continue to fulfil their obligation to make compensation payments for death, injury or illness incurred while serving in a peacekeeping mission well after the mandate of the mission has ended and the mission has been liquidated.

112. The fund derives its revenue from a charge of 0.5 per cent of net base salary, including post adjustment, which is recorded as employee expenses against the budgets of the peacekeeping missions. The fund covers appendix D claims submitted by peacekeeping personnel, covering monthly death and disability benefits and lump sum payments for injury or illness as well as medical expenses.

113. Previously, the fund was reported in the financial statements of the United Nations. Commencing with the 2013/14 peacekeeping fiscal year, the fund has been reported in the financial statements of the peacekeeping operations, reflecting the fact that the fund accounts for financial transactions that relate solely to these operations. The long-term liability to the peacekeeping operations relating to death and disability of staff in peacekeeping operations is actuarially valued and recorded in the fund and included in the financial statements of the peacekeeping operations.

United Nations Joint Staff Pension Fund

114. The Regulations of the United Nations Joint Staff Pension Fund state that the Pension Board shall have an actuarial valuation made of the Pension Fund at least once every three years by the consulting actuary. The practice of the Pension Board

has been to carry out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

115. The financial obligation of the United Nations peacekeeping operations to the Pension Fund consists of their mandated contribution, at the rate established by the General Assembly (currently at 7.90 per cent (2013/14: 7.90 per cent) for participants and 15.80 per cent (2013/14: 15.80 per cent) for member organizations), together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to remedying this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

116. The actuarial valuation performed as at 31 December 2013 revealed an actuarial deficit of 0.72 per cent (1.87 per cent in the 2011 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as at 31 December 2013 was 24.42 per cent of pensionable remuneration, compared to the actual contribution rate of 23.70 per cent. The next actuarial valuation will be conducted as at 31 December 2015.

117. As at 31 December 2013, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 127.50 per cent (130.00 per cent in the 2011 valuation). The funded ratio was 91.20 per cent (86.20 per cent in the 2011 valuation) when the current system of pension adjustments was taken into account.

118. After assessing the actuarial sufficiency of the Pension Fund, the consulting actuary concluded that there was no requirement, as at 31 December 2013, for deficiency payments under article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as at the valuation date. At the time of the present report, the General Assembly has not invoked the provision of article 26.

119. In December 2012 and April 2013, the General Assembly authorized an increase to age 65 as the normal retirement age and as the mandatory age of separation, respectively, for new participants in the Pension Fund, to take effect no later than 1 January 2014. The related change to the Regulations of the Fund was approved by the Assembly in December 2013. The increase in the normal retirement age is reflected in the actuarial valuation of the Pension Fund as at 31 December 2013. The United Nations Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board on the audit every year. The Pension Fund publishes quarterly reports on its investments and these can be viewed by visiting the Fund's website at www.unjspf.org.

Termination benefits

120. United Nations peacekeeping operations had no (2013/14: none) liabilities for termination benefits as at the reporting date.

Note 16
Provisions

121. The peacekeeping operations are subject to a variety of claims that arise from time to time in the ordinary course of their operations. These claims are segregated into two main categories: commercial and administrative law claims. As at the reporting date, several commercial claims of a diverse nature, including breach of contract and non-consensual use of premises, have been brought against peacekeeping operations in South Sudan, Darfur, Kosovo and other mission locations. As at the reporting date, the amount to settle these cases is estimated at $6.9 million, which includes a case brought against UNMIK for non-consensual use of premises for which there is a provision of $3.6 million (2013/14: $4.5 million, decrease due to foreign exchange valuation). Provisions for administrative cases brought by staff members amount to $1.7 million (2013/14: nil) and concern non-renewal due to abolition of posts, non-selection and investigations.

122. A provision of $3.7 million (2013/14: $4.2 million) has been made by MONUSCO for the restoration of premises. A prior year provision by MONUSCO of $9.0 million for warehousing fees payable upon a vendor's contract compliance was reversed.

123. Provisions have been made in the amount of $470.4 million (2013/14: $439.6 million) for credits to Member States, the disposal of which will be decided by the General Assembly in the next fiscal year. The credits comprise uncommitted appropriations of $275.2 million (2013/14: $300.9 million), investment revenue of $19.8 million (2013/14: $16.6 million), other revenue of $20.4 million (2013/14: $24.4 million) and cancellation of prior-period obligations amounting to $155.1 million (2013/14: $95.0 million).

(Thousands of United States dollars)

	Credits to Member States	*Litigation and claims*	*Total*
Provisions as at 1 July 2013	**206 896**	**4 426**	**211 322**
Additional provisions made	439 646	24 219	463 865
Amounts used	(206 896)	–	(206 896)
Provisions as at 30 June 2014	**439 646**	**28 645**	**468 291**
Additional provisions made	470 432	2 114	472 546
Unused amounts reversed	(8 001)	(10 332)	(18 333)
Amounts used	(431 645)	(7 548)	(439 193)
Provisions as at 30 June 2015	**470 432**	**12 879**	**483 311**

Note 17
Other liabilities

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Deferred revenue	802	5 974
Payables to other United Nations reporting entities	75 264	13 308
Other liabilities	62 147	60 588
Total other liabilities	**138 213**	**79 870**

Note 18
Accumulated surpluses/deficits

124. The unrestricted accumulated surplus includes the accumulated deficit for liabilities for after-service health insurance, repatriation benefits and annual leave.

Accumulated surplus — strategic deployment stock activities

125. The General Assembly, in its resolution 56/292 of 27 June 2002, authorized the purchase of strategic deployment stocks. In his report on the concept of strategic deployment stocks and its implementation (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that received them. In order to account for the replenishment of strategic deployment stocks, a separate revolving fund has been established where all such transactions are recorded; the activities of the revolving fund are reported in the financial statements of UNLB.

126. The cumulative surplus at the end of the financial year, which incorporates such items as timing differences between the recording of transfers and the actual replenishment of strategic deployment stocks, is carried over, to be available in the next financial year.

Authorized retained surplus — restricted

127. In its resolution 57/323 of 18 June 2003, the General Assembly decided to suspend the provisions of financial regulation 5.5 for certain missions in the light of the cash shortages of those missions. The missions with continuing cash shortages and for which the provisions of financial regulation 5.5 have been suspended are UNSMIH, UNTMIH, MIPONUH, MINURCA, the Military Observer Group of MINUGUA, UNOSOM and UNTAC.

Note 19
Reserves

Peacekeeping Reserve Fund

128. The Peacekeeping Reserve Fund was established as a cash flow mechanism to support the rapid response of peacekeeping operations to meet expenses and capital requirements for the start-up or expansion of peacekeeping operations. During the current financial period, the Peacekeeping Reserve Fund has not provided any new

loans (2013/14: $15.0 million for MINUSCA) and MINUSCA and UNSMIS repaid the full amount of advances, in October 2014 and September 2014, respectively.

129. As at the reporting date, outstanding advances in an amount of $12.8 million were due from MINURCA, which have been outstanding since February 2000 owing to insufficient cash resources in the mission.

130. As at the reporting date, the Peacekeeping Reserve Fund had reserves of $150.0 million (2013/14: $150.0 million) and a cumulative surplus of $1.6 million (2013/14: $1.6 million), representing surpluses of revenue over expenses of $0.8 million and for both the period ended 30 June 2015 and the period ended 30 June 2014. The excess balance as at 30 June 2014 was applied to meet the requirements of the support account for peacekeeping operations for 2015/16. The excess balance as at 30 June 2015 is available for future utilization as directed by the General Assembly.

Note 20
Revenue from non-exchange transactions

Assessed contributions

131. Assessed contributions of $8,503.6 million (2013/14: $7,799.9 million) have been recorded in accordance with the Financial Regulations and Rules, the relevant resolutions of the General Assembly and the policies of the United Nations, on the basis of the peacekeeping scale of assessment.

Voluntary contributions

132. Revenue from in-kind contributions represents confirmed contributions of goods, landing rights fees, airport fees, vehicle registration fees and permission to use facilities and premises. On the basis of fair rental value, a total of $145.5 million (2013/14: $98.8 million) of facilities and premises were provided during the reporting period. Landing fees and other fees at airports, totalling $17.2 million (2013/14: $13.1 million), vehicle registration fees of $1.9 million (2013/14: $1.8 million), and a variety of goods were provided and fees waived amounting to $4.3 million (2013/14: $5.7 million), bringing total in-kind contributions to $168.9 million (2013/14: $119.4 million).

(Thousands of United States dollars)

	2014/15	*2013/14*
Voluntary monetary contributions (Member States)	26 449	25 225
Voluntary in-kind contributions (Member States)	168 936	119 448
Total voluntary contributions	**195 385**	**144 673**

133. In-kind contributions of services are not recognized and are therefore not included in the in kind contributions revenue detailed above. These comprise various fees for services that are usually charged. Such waived fees included airport passenger taxes of $2.6 million (2013/14: $6.0 million), radio frequency fees of $2.7 million (2013/14: $2.2 million) and other services amounting to $4.7 million (2013/14: $6.7 million).

Other contributions and allocations

134. Revenue from non-exchange transactions also includes other contributions and allocations amounting to $15.7 million (2013/14: $4.2 million).

Note 21
Financial instruments and the cash pool

Cash pool

135. In addition to directly held cash and cash equivalents, the peacekeeping operations participate in the United Nations Treasury main pool. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale and by virtue of the ability to spread yield curve exposures across a range of maturities. The allocation of main pool assets (cash and cash equivalents, short-term investments and long-term investments) and income is based on each participating entity's principal balance.

136. As at 30 June 2015, the main pool held total assets of $7,469.7 million (2013/14: $8,507.3 million); of this amount $2,413.6 million (2013/14: $2,262.8 million) was due to the peacekeeping operations. Their share of net income from the main pool was $20.9 million (2013/14: $20.3 million). No interest revenue was received from non-fair value through surplus or deficit financial assets calculated using the effective interest method (2013/14: none).

Financial instruments

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Financial assets		
Fair value through surplus or deficit		
Short-term investments — share of main pool	1 051 025	812 610
Long-term investments — share of main pool	786 089	1 017 507
Total assets at fair value through surplus or deficit	**1 837 114**	**1 830 117**
Loans and receivables		
Cash and cash equivalents — share of main pool	572 746	428 951
Cash and cash equivalents — other	3 645	63 046
Subtotal cash and cash equivalents	**576 391**	**491 997**
Assessed contributions	1 124 300	687 561
Voluntary contributions	2 709	7 351
Other receivables	37 107	43 041
Share of main pool accrued investment revenue	3 697	3 711
Other assets (excludes deferred charges)	3 489	25 933
Total loans and receivables	**1 747 693**	**1 259 594**
Total carrying amount of financial assets	**3 584 807**	**3 089 711**
Total financial assets relating to assets held in the main pool	**2 413 557**	**2 262 779**

	30 June 2015	*30 June 2014*
Financial liabilities at amortized cost		
Accounts payable — Member States	836 374	764 193
Accounts payable — other	1 373 573	1 141 235
Other liabilities (excludes deferred revenue)	137 411	73 896
Total liabilities at amortized cost	**2 347 358**	**1 979 324**
Summary of net income from financial assets		
Net main cash pool income	20 920	20 285
Other investment revenue	3 014	257
Total investment revenue	**23 934**	**20 542**

Financial risk management: overview

137. The peacekeeping operations have exposure to the following financial risks:

(a) Credit risk;

(b) Liquidity risk;

(c) Market risk.

138. This note presents information on the exposure of the peacekeeping operations to these risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Financial risk management: risk management framework

139. The risk management practices of the United Nations peacekeeping operations are in accordance with the Financial Regulations and Rules and the United Nations Investment Management Guidelines. The United Nations Treasury is responsible for investment and risk management for the cash pools, including conducting investment activities in accordance with the Guidelines.

140. The investment management objectives are to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market-rate-of-return component of the objectives.

141. An Investment Committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates to them. Other than those disclosed, the peacekeeping operations have not identified any further risk concentrations arising from financial instruments.

142. The peacekeeping operations define the capital that they manage as the aggregate of their net assets, which comprises accumulated fund balances and reserves. The objectives are to safeguard the ability of the operations to continue as a going concern and to fulfil their mission and objectives. The peacekeeping operations manage their capital in the light of global economic conditions, the risk characteristics of the underlying assets and their current and future working capital requirements.

Financial risk management: credit risk

143. Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments and deposits with financial institutions, as well as credit exposure to outstanding receivables. The carrying value of financial assets is the maximum exposure to credit risk.

Credit risk: management

144. The Investment Management Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The main pool does not invest in derivative instruments such as asset-backed or mortgage-backed securities or in equity products.

145. The investment management function is centralized at United Nations Headquarters, and under normal circumstances missions are not permitted to engage in investing. A mission may receive exceptional approval when conditions warrant investing locally under specified parameters that comply with the Guidelines.

Credit risk: contributions receivable and other receivables

146. A large portion of contributions receivable is due from sovereign Governments and supranational agencies, including other United Nations entities that do not have significant credit risk. As at the reporting date, the United Nations peacekeeping operations did not hold any collateral as security for receivables (2013/14: none).

Credit risk: allowance for doubtful receivables

147. The peacekeeping operations evaluate the allowance for doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the peacekeeping operation will not collect the full amount due. Balances credited to the allowance for doubtful receivables account are utilized when management approves write-offs under the Financial Regulations and Rules or are reversed when previously impaired receivables are received. The movement in the allowances account during the year is shown below.

(Thousands of United States dollars)

	2014/15	*2013/14*
Allowance for doubtful receivables as at 1 July	**744 662**	**609 712**
Additional allowance for doubtful receivables	5 525	134 950
Allowance for doubtful receivables as at 30 June	**750 187**	**744 662**

148. On the basis of their monitoring of credit risk, the peacekeeping operations believe that, except as indicated, no impairment allowance is necessary in respect of receivables.

Credit risk: assessed contributions

149. The ageing and associated allowance of assessed contributions receivable are shown below.

Ageing of contributions receivable

(Thousands of United States dollars)

	2014/15		*2013/14*	
	Gross receivable	*Allowance*	*Gross receivable*	*Allowance*
Neither past due nor impaired	–	–	–	–
Less than one year	951 344	–	562 417	–
One to two years	117 452	–	78 681	–
Two to three years	31 762	528	24 173	189
Three to four years	11 066	922	13 113	185
Over four years	622 305	608 179	614 171	604 620
Total	**1 733 929**	**609 629**	**1 292 555**	**604 994**

Credit risk: voluntary contributions and other receivables

150. The ageing and associated allowance of receivables other than assessed contributions are shown below.

Ageing of voluntary contributions and other receivables

(Thousands of United States dollars)

	2014/15		*2013/14*	
	Gross receivable	*Allowance*	*Gross receivable*	*Allowance*
Neither past due nor impaired	–	–	852	–
Less than one year	35 375	–	44 818	–
One to two years	4 472	1 121	5 260	1 314
Two to three years	2 722	1 632	1 938	1 162
Over four years	137 805	137 805	137 192	137 192
Total	**180 374**	**140 558**	**190 060**	**139 668**

Credit risk: cash and cash equivalents

151. The peacekeeping operations had cash and cash equivalents of $576.4 million (2013/14: $492.0 million) at the reporting date, which is the maximum credit exposure on these assets.

Credit risk: cash pool investments

152. The Investment Management Guidelines require that investments not be made in issuers whose credit ratings are below specifications, and also provide for maximum concentrations with given issuers. For the current and prior years, these requirements were met at the time the investments were made. The credit ratings

used are those determined by major credit-rating agencies; Standard & Poor's Financial Services, Moody's Investors Service and Fitch Ratings are used to rate bonds and discounted instruments, and the Fitch viability rating is used to rate bank term deposits.

Credit risk: main pool credit ratings as at year-end

	Ratings as at 30 June 2015	*Ratings as at 30 June 2014*
Bonds	S&P: 33.7% AAA, 52.6% AA+/AA/AA-, 5.6% A+ and 8.1% not rated by S&P; Moody's 67.2% Aaa and 32.8% Aa1/Aa2/Aa3	S&P: 30.8% AAA, 63.9% AA+/AA/AA- and 5.3% not rated by S&P; Moody's 76.6% Aaa and 23.4% Aa1/Aa3
Discounted instruments	S&P: 72.8% A-1+ and 27.2% A-1; Moody's: 100% P-1; Fitch: 100% F1	S&P: 100% A-1+; Moody's: 70.6% P-1 and 29.4% not rated by Moody's; Fitch: 100% F1+
Certificates of deposit	Not applicable as at 30 June 2015	S&P: 100% A-1+; Moody's: 100% P-1; Fitch: 100% F1
Term deposits	Fitch: 63.0% aa- and 37.0% a+/a/a-	Fitch: 70.7% aa- and 29.3% a+/a/a-

153. The United Nations Treasury actively monitors credit ratings and, given that it has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Financial risk management: liquidity risk

154. Liquidity risk is the risk that the peacekeeping operations may not have adequate funds to meet their obligations as they fall due. The approach to managing liquidity is to ensure that an operation will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation of United Nations peacekeeping.

155. The Financial Regulations and Rules require that expenses be incurred after the receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to assessed contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to amounts receivable.

156. The peacekeeping operations perform cash flow forecasting and monitor rolling forecasts of liquidity requirements to ensure there is sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The peacekeeping operations maintain a large portion of their investments in cash equivalents and short-term investments sufficient to cover their commitments as and when they fall due.

Liquidity risk: cash pool investments

157. The main pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within one day's notice to support operational requirements. Main pool liquidity risk is therefore considered to be low.

Liquidity risk: financial liabilities

158. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to the cash and cash equivalents, receivables and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations. At the reporting date, the peacekeeping operations had not pledged any collateral for any liabilities or contingent liabilities (2013/14: none), and during the year no accounts payable or other liabilities were forgiven by third parties (2013/14: none). Maturities for financial liabilities based on the earliest date at which the peacekeeping operations can be required to settle each financial liability are shown below.

Maturities for financial liabilities, undiscounted

(Thousands of United States dollars)

	<3 months	*3 to 12 months*	*>1 year*	*Total*
As at 30 June 2015				
Accounts payable and accrued payables	2 209 947	–	–	2 209 947
Other liabilities (excluding deferred revenue)	137 411	–	–	137 411
Total as at 30 June 2015	**2 347 358**	**–**	**–**	**2 347 358**
As at 30 June 2014				
Accounts payable and accrued payables	1 905 428	–	–	1 905 428
Other liabilities (excluding deferred revenue)	73 896	–	–	73 896
Total as at 30 June 2014	**1 979 324**	**–**	**–**	**1 979 324**

Financial risk management: market risk

159. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the income of the peacekeeping operations or the value of their financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the fiscal position.

Market risk: currency risk

160. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The peacekeeping operations have transactions, assets and liabilities in currencies other than in their functional currency and are exposed to currency risk arising from fluctuations in currency exchange rates. Management policies and the Investment Management Guidelines require the peacekeeping operations to manage their currency risk exposure.

161. Non-United States dollar holdings have the primary objective of supporting local operating activities in mission countries. The peacekeeping operations maintain a minimum level of assets in local currencies and, whenever possible, maintain bank accounts in United States dollars. Some cash is held in currencies that are either legally restricted or not readily convertible to United States dollars and used exclusively for local expenses in the respective countries.

162. The peacekeeping operations mitigate currency risk exposure by structuring contributions from donors in foreign currency to correspond to the foreign currency needs for operational purposes. Given that the main pool is predominantly denominated in United States dollars, it has a low currency risk and, in conjunction with the low risk of other financial instruments, the peacekeeping operations consider currency risk to be low (2013/14: currency risk considered to be low).

Market risk: interest rate risk

163. Interest rate risk is the risk of variability in fair values or future cash flows of financial instruments owing to changes in interest rates. In general, as an interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, expressed in years. The longer the duration, the greater the interest rate risk.

164. Fixed-rate cash, cash equivalents and investments are the interest-bearing financial instruments of the peacekeeping operations. The main pool comprises their main exposure to interest rate risk. As at the reporting date, the main pool was invested primarily in securities with shorter terms to maturity, with the maximum being less than 5 years (2013/14: 5 years). The average duration of the main pool was 0.89 years (2013/14: 1.1 years), which is considered to be an indicator of low risk.

Market risk: cash pool interest rate risk sensitivity analysis

165. The cash pool interest rate risk sensitivity analysis shows how the fair value of the main pool as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. As these investments are accounted for at fair value through surplus or deficit, the change in fair value represents the increase or decrease of the surplus or deficit and net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). These basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis

(Millions of United States dollars)

	Shift in yield curve (basis points)								
	-200	*-150*	*-100*	*-50*	*0*	*50*	*100*	*150*	*200*
Increase/(decrease) in fair value									
Main pool total: 30 June 2015	127.7	95.8	63.8	31.9	–	(31.9)	(63.8)	(95.7)	(127.6)
Main pool total: 30 June 2014	182.6	136.9	91.3	46.6	–	(46.6)	(91.3)	(136.9)	(182.6)

Market risk: other

166. The main pool is not exposed to significant other market price risk, as it does not sell short or borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value

167. The carrying value of fair value through surplus or deficit investments is fair value. For cash and cash equivalents, receivables and accounts payable, carrying value is a fair approximation of fair value.

Fair value hierarchy

168. The table below analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

169. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third-parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the main pool is the current bid price.

170. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximize the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

171. The following fair-value hierarchy presents the main pool assets that are measured at fair value at the reporting date. There were no level 3 financial assets or

any liabilities carried at fair value or any transfers between fair value hierarchy classifications.

Fair value hierarchy

(Thousands of United States dollars)

	30 June 2015			*30 June 2014*		
	Level 1	*Level 2*	*Total*	*Level 1*	*Level 2*	*Total*
Main pool financial assets at fair value through surplus or deficit						
Bonds — Non-United States agencies	1 970 857	–	1 970 857	2 223 451	–	2 223 451
Bonds — Non-United States sovereigns	646 420	–	646 420	510 209	–	510 209
Bonds — supranationals	290 390	–	290 390	390 248	–	390 248
Bonds — United States Treasury	848 553	–	848 553	1 600 287	–	1 600 287
Discounted instruments	549 409	–	549 409	849 440	–	849 440
Term/certificates of deposit	–	2 753 662	2 753 662	–	2 720 379	2 720 379
Total	**4 305 629**	**2 753 662**	**7 059 291**	**5 573 635**	**2 720 379**	**8 294 014**

Note 22
Contingent contracted services

172. Expenses for contingent contracted services are comprised of reimbursements to troop and formed police unit contributing countries for personnel, equipment and self-sustainment services. The reimbursements are made at predetermined standard rates based on person/month and the generic types of equipment.

(Thousands of United States dollars)

	2014/15	*2013/14*
Contingent troop and police costs	1 596 549	1 405 617
Contingent-owned equipment and self-sustainment	1 028 614	871 179
Contingent emplacement and rotation	179 534	180 038
Total contingent contracted services	**2 804 697**	**2 456 834**

Note 23
Credits to Member States

173. The accounting policy for credits to Member States has been changed from an adjustment to net assets in statement III (statement of changes in net assets) to an expense in statement II (statement of financial performance). This change results in more faithful compliance to IPSAS. The 2013/14 prior-year comparatives were restated in these financial statements. Total provisions made for credits to Member States are $462.4 million (2013/14: $439.6 million), comprised of unencumbered appropriation of $267.2 million, investment revenue of $19.8 million, other revenue of 20.4 million and the cancellation of prior-period commitments and other prior-period adjustments of $155.0 million. In addition, a cash balance of $15.0 million in

UNMIS was credited to Member States in 2014/15, bringing the total expense for credits to Member States to $477.4 million.

Note 24
Related parties

Key management personnel

174. Key management personnel are those with the ability to exercise significant influence over the financial and operating decisions of the peacekeeping operations. The key management personnel group for peacekeeping operations comprises the Secretary-General, the Deputy Secretary-General and selected officials at the Under-Secretary-General, Assistant Secretary-General and Director levels within the Department of Peacekeeping Operations, the Department of Field Support and the Department of Management. These persons are deemed to have the relevant authority and responsibility for planning, directing and controlling the activities of the peacekeeping operations. In 2013/14, key management personnel was defined as 19 personnel. The definition is revised in 2014/15 to 12 personnel to better reflect those managers who directly influence financial and operational decisions of the Organization and to improve comparability and consistency with other reporting entities of the Organization.

175. The aggregate remuneration paid to key management personnel includes gross salaries, post adjustment and other entitlements such as grants, subsidies and employer pension and health insurance contributions. The 2013/14 amounts in the table below are restated on the same basis as the current definition.

(Thousands of United States dollars)

	2014/15	*2013/14*
Key management personnel		
Salary and post adjustment	3 662	3 293
Other monetary entitlements	866	654
Non-monetary benefits	1 200	1 200
Total key management personnel remuneration	**5 728**	**5 147**

176. A residence is provided to the Secretary-General free of charge and the annual rental fair value equivalent of this property is $1.2 million. Other non-monetary and indirect benefits paid to key management personnel were not material (2013/14: not material). While no close family members of key management personnel were employed by the peacekeeping operations, $72,000 was transacted by United Nations Secretariat reporting entities with close family members in 2014.

177. Advances made to key management personnel are those made against entitlements in accordance with the Staff Rules and Staff Regulations; such advances against entitlements are widely available to all staff.

Trust fund activities related to peacekeeping operations

178. The following peacekeeping-related funds, which augment the activities of the peacekeeping operations, are structured as trust funds and, accordingly, appear in

the financial statements of the United Nations. The reserves and fund balances of these related trust funds as at the year-end are shown below.

Activities related to peacekeeping operations funded by Trust Funds: reserves and fund balances

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Trust fund in Support of the Delimination and Demarcation of the Ethiopia/Eritrea Border	1 428	1 419
Trust Fund for Somalia — Unified Command	394	393
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	8	8
Trust Fund for the Police Assistance Programme in Bosnia and Herzegovina	310	308
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	3 920	4 443
Trust Fund in Support of the Department of Peacekeeping Operations	54 552	13 498
Trust Fund for the Rapidly Deployable Mission Headquarters	2	1 010
Trust Fund to Support the Peace Process in the Democratic Republic of the Congo	2 309	2 071
Trust Fund to Support the United Nations Interim Administration in Kosovo	1 059	1 053
Trust Fund to Support the Ituri Pacification Commission	7	7
Trust Fund in Support of the Peace Process in the Sudan	694	690
Trust Fund for the African Union-United Nations Joint Mediation Support Team for Darfur	6 246	6 104
Trust Fund for the Support of the Activities of the United Nations Mission in the Central African Republic and Chad	1 691	1 682
Trust Fund to Support Lasting Peace in Darfur	3 067	3 055
Trust Fund in Support of the African Union Mission to Somalia	16 000	26 928
Trust Fund in Support of the African-led International Support Mission in Mali	30 992	30 363
Trust Fund in Support of Peace and Security in Mali	7 729	10 117
Trust Fund for the United Nations Operation in Cote d'Ivoire	312	351
Trust Fund in Support of Peace and Security in Libya	150	267
Trust Fund in Support of the Political Transition in Haiti	1 132	696
Trust Fund in Support of the Elimination of Syrian Chemical Weapons	3 490	4 829
Trust Fund in Support of the African-led International Support Mission in the Central African Republic	3 337	4 248
Total	**138 829**	**113 540**

Peacekeeping-related operations funded by the regular budget

179. Shown below are peacekeeping-related operations that are funded by the regular budget and appear in the financial statements of the United Nations.

Peacekeeping-related operations funded by the regular budget

(Thousands of United States dollars)

	Appropriation[a]	*Expenditure on a budget basis*	*Unencumbered balance*
Year ended 30 Jun. 2015			
Department of Peacekeeping Operations			
Executive direction and management	1 310	1 083	227
Programme of work	8 635	6 078	2 557
Programme support	1 091	485	606
Department of Field Support			
Executive direction and management	2 130	1 701	429
Programme of work	6 353	4 577	1 776
Peacekeeping missions funded by the regular budget			
UNTSO	74 245	46 352	27 893
UNMOGIP	19 192	13 409	5 783
Total	**112 956**	**73 685**	**39 271**
Year ended 30 June 2014			
Department of Peacekeeping Operations			
Executive direction and management	1 324	337	987
Programme of work	8 644	1 921	6 723
Programme support	1 091	202	889
Department of Field Support			
Executive direction and management	2 155	509	1 646
Programme of work	6 301	1 472	4 829
Peacekeeping missions funded by the regular budget			
UNTSO	74 292	18 295	55 997
UNMOGIP	19 647	4 048	15 599
Total	**113 454**	**26 784**	**86 670**

[a] The total expenditure and unencumbered balance is presented on a budget basis.

Related entity transactions

180. In the ordinary course of business, in order to achieve economies in executing transactions, financial transactions are often executed by one financial reporting entity on behalf of another and then subsequently settled. No interest is levied on inter-entity balances.

United Nations peacekeeping operations: balances reflected in the Tax Equalization Fund

181. The financial statements of the peacekeeping operations report employee benefits expenses on a net-of-tax basis. The tax liabilities relating to peacekeeping operations are reported separately as part of the Tax Equalization Fund in the financial statements of the United Nations, which has a 31 December financial reporting date.

182. The Tax Equalization Fund was established under the provisions of General Assembly resolution 973 (X) of 15 December 1955 to equalize the net pay of all staff members whatever their national tax obligations. The Fund operationally reports as income, staff assessment with respect to staff members financed under the regular budget, assessed peacekeeping operations and the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

183. The Fund includes as expenditure the credits against the regular budget, peacekeeping, the International Residual Mechanism and the international tribunals with respect to the assessments of Member States that do not levy taxes on the United Nations income of their nationals. Member States that do levy income taxes on their nationals working for the Organization do not receive this credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes paid on their United Nations income. Such reimbursements for taxes paid are partially reported as expenditure by the Tax Equalization Fund. Staff members financed by extrabudgetary funds who are required to pay income tax are reimbursed directly from the resources of those funds. Since the Organization acts an agent in this arrangement, the net of the related revenue and expenses is reported as a payable in these financial statements.

184. The cumulative surplus payable to the United States at 31 December 2014, as reflected in the latest audited financial statements of the United Nations, was $27.6 million (31 December 2013: $52.0 million) of which about $12.4 million (31 December 2013: $9.0 million) related to the peacekeeping operations. The payable to other Member States was $36.8 million (31 December 2013: $36.4 million). The Tax Equalization Fund also had a $23.3 million estimated tax liability relating to the 2014 and prior tax years, of which $13.3 million was disbursed in January 2015 and approximately $10.0 million was disbursed in April 2015.

Note 25
Commitments

Lease commitments

185. The peacekeeping operations enter into operating leases for the use of land, permanent and temporary buildings and equipment. The total lease payments recognized in expenditure for the year was $44.3 million. Future minimum lease payments under non-cancellable arrangements are shown below.

(Thousands of United States dollars)

	30 June 2015	*30 June 2014*
Less than 1 year	16 092	21 402
1 to 5 years	46 039	17 926
Over 5 years	9 015	76
Total minimum lease commitments	**71 146**	**39 404**

Contractual commitments

186. As at the reporting date, commitments for goods and services contracted by but not delivered amounted to $467.6 million (2013/14: $389.0 million).

Note 26
Contingent liabilities and contingent assets

Contingent liabilities

187. Owing to the uncertainty of the outcome of some claims, the occurrence, amount and/or timing of outflow cannot be reliably estimated and no provision is recognized. Contingent liabilities are disclosed for pending claims when the probability of outcome cannot be determined and the amount of loss cannot be reasonably estimated.

188. As at the reporting date, commercial claims pending arbitration or negotiated settlement brought against the peacekeeping operations totalled $38.2 million (2013/14: $10.6 million). This figure includes one case pending arbitration brought against UNSOA last year of $3.1 million (2013/14: $3.1 million) and an additional claim brought in 2014/15 for $5.0 million.

189. Similarly, certain administrative law claims relating to appointment-related matters, benefits and entitlements are inherently unpredictable and as such, the outcome of these cases is uncertain and the probability of payout cannot be reliably measured. On the basis of past experience, possible payout at the reporting date is estimated at $2.9 million (2013/14: $0.5 million). The peacekeeping operations do not expect that the ultimate resolution of any of these claims will have a significant adverse effect on their financial position, performance or cash flows.

Contingent assets

190. As at the reporting date, there were no (2013/14: none) material contingent assets.

Note 27
Intangible assets

191. As at the reporting date, Umoja, the United Nations enterprise resource planning system, has a budget approved to 31 December 2015 of $385.1 million (2013/14: $348.1 million). Based on the current cost-sharing arrangements, the share of the peacekeeping operations is $238.7 million (2013/14: $215.8 million). In the sixth progress report of the Secretary-General on Umoja, the Administration proposed additional expenditure of $54.3 million in the biennium 2016-2017, of

which $33.6 million related to the peacekeeping operations. During the current financial period, the peacekeeping operations contributed $20.1 million (2013/14: $18.7 million) to Umoja-related expenditure, thereby bringing the total contribution of the peacekeeping operations to $215.9 million (2013/14: $195.8 million) as at 30 June 2015. Capitalizable expenditure related to Umoja is reported as an intangible asset in the financial statements of the United Nations, and the cost-sharing of the peacekeeping operations is expensed in these financial statements.

Note 28
Events after the reporting date

192. There were no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Annex I

Financial reporting by mission

Statement of financial position as at 30 June 2015: active missions

(Thousands of United States dollars)

	UNFICYP	*UNDOF*	*UNIFIL*	*MINURSO*	*UNMIK*	*MONUSCO*	*UNMIL*	*UNOCI*
Assets								
Cash and cash equivalents	2 590	4 333	54 517	782	279	49 980	15 493	20 311
Investments	8 048	13 653	174 543	2 168	710	159 511	49 524	64 439
Assessments receivable	15 888	19 693	19 934	42 479	29 473	169 333	72 923	82 829
Other receivables	3 094	362	2 526	430	52	6 654	2 884	968
Inventories	1 445	2 855	14 629	3 778	1 507	38 580	25 280	18 046
Property, plant and equipment	3 810	29 303	107 663	12 300	2 673	104 810	28 348	42 105
Other assets	106	133	5 721	145	923	3 753	104	622
Total assets	**34 981**	**70 332**	**379 533**	**62 082**	**35 617**	**532 621**	**194 556**	**229 320**
Liabilities								
Accounts payable	7 487	10 816	144 482	6 572	5 701	341 349	113 073	104 359
Employee benefits	81	248	1 482	650	446	4 321	2 970	2 737
Other liabilities and provisions	5 894	2 809	45 284	11 031	25 195	57 094	27 891	46 223
Total liabilities	**13 462**	**13 873**	**191 248**	**18 253**	**31 342**	**402 764**	**143 934**	**153 319**
Net of total assets and total liabilities	**21 519**	**56 459**	**188 285**	**43 829**	**4 275**	**129 857**	**50 622**	**76 001**
Net assets								
Accumulated surpluses/(deficits)	21 519	56 459	188 285	43 829	4 275	129 857	50 622	76 001
Reserves	–	–	–	–	–	–	–	–
Total net assets	**21 519**	**56 459**	**188 285**	**43 829**	**4 275**	**129 857**	**50 622**	**76 001**

Statement of financial performance for the year ended 30 June 2015: active missions

(Thousands of United States dollars)

	UNFICYP	*UNDOF*	*UNIFIL*	*MINURSO*	*UNMIK*	*MONUSCO*	*UNMIL*	*UNOCI*
Assessed contributions	36 082	69 114	549 323	58 127	46 325	1 506 068	460 613	532 091
Voluntary contributions/other transfers	28 121	4 556	5 446	7 147	135	18 921	2 048	40 071
Investment revenue	102	166	2 377	58	55	3 097	754	1 143
Other revenue	235	363	260	425	367	3 924	781	31
Total revenue	**64 540**	**74 199**	**557 406**	**65 757**	**46 882**	**1 532 010**	**464 196**	**573 336**
Employee benefits and allowances	13 914	16 029	97 334	20 941	29 654	308 718	107 334	85 466
Contingent contracted services	18 770	24 518	288 594	989	–	512 973	152 856	206 748
Other expenses	24 461	54 324	158 345	41 077	13 187	718 751	183 333	254 954
Credits to Member States	5 534	1 991	23 828	3 603	4 045	31 879	25 404	45 698
Total expenditure	**62 679**	**96 862**	**568 101**	**66 610**	**46 886**	**1 572 321**	**468 927**	**592 866**
Surplus/(deficit) for the year	**1 861**	**(22 663)**	**(10 695)**	**(853)**	**(4)**	**(40 311)**	**(4 731)**	**(19 530)**

Statement of financial position as at 30 June 2015: active missions (concluded)

(Thousands of United States dollars)

	MINUSTAH	*UNAMID*	*UNSOA*	*UNISFA*	*UNMISS*	*MINUSMA*	*MINUSCA*	*Total*
Assets								
Cash and cash equivalents	34 145	40 015	34 235	36 098	39 485	78 569	28 457	439 289
Investments	109 219	127 978	109 467	115 504	124 615	251 568	91 009	1 401 956
Assessments receivable	25 331	170 713	60 041	23 171	225 391	30 728	135 672	1 123 599
Other receivables	3 112	5 453	1 313	932	8 241	685	728	37 434
Inventories	29 084	69 258	44 651	9 133	47 207	16 852	7 569	329 874
Property, plant and equipment	60 623	404 601	152 600	43 704	179 277	85 850	64 560	1 322 227
Other assets	533	1 132	261	322	978	1 030	2 418	18 181
Total assets	**262 047**	**819 150**	**402 568**	**228 864**	**625 194**	**465 282**	**330 413**	**4 672 560**

	MINUSTAH	*UNAMID*	*UNSOA*	*UNISFA*	*UNMISS*	*MINUSMA*	*MINUSCA*	*Total*
Liabilities								
Accounts payable	100 929	235 676	99 483	103 107	243 016	258 317	167 167	1 941 534
Employee benefits	1 056	5 600	936	646	5 926	1 900	533	29 532
Other liabilities and provisions	48 827	99 649	33 151	28 068	95 325	33 317	34 321	594 079
Total liabilities	**150 812**	**340 925**	**133 570**	**131 821**	**344 267**	**293 534**	**202 021**	**2 565 145**
Net of total assets and total liabilities	**111 235**	**478 225**	**268 998**	**97 043**	**280 927**	**171 748**	**128 392**	**2 197 415**
Net assets								
Accumulated surpluses/(deficits)	111 235	478 225	268 998	97 043	280 927	171 748	128 392	2 107 415
Reserves	–	–	–	–	–	–	–	–
Total net assets	**111 235**	**478 225**	**268 998**	**97 043**	**280 927**	**171 748**	**128 392**	**2 107 415**

Statement of financial performance for the year ended 30 June 2015: active missions (concluded)

(Thousands of United States dollars)

	MINUSTAH	*UNAMID*	*UNSOA*	*UNISFA*	*UNMISS*	*MINUSMA*	*MINUSCA*	***Total***
Assessed contributions	539 109	1 153 611	528 208	343 816	1 097 315	895 534	688 276	**8 503 612**
Voluntary contributions/other transfers	7 109	1 673	1 233	555	50 217	26 375	40 351	**233 958**
Investment revenue	1 337	2 246	994	1 073	1 659	3 707	1 017	**19 785**
Other revenue	1 651	1 248	2 241	1 243	4 155	9 100	9	**26 033**
Total revenue	**549 206**	**1 158 778**	**532 676**	**346 687**	**1 153 346**	**934 716**	**729 653**	**8 783 388**
Employee benefits and allowances	101 481	273 251	51 537	28 239	221 263	121 172	83 581	**1 559 914**
Contingent contracted services	192 313	434 851	47 326	109 556	323 307	256 085	235 811	**2 804 697**
Other expenses	236 055	448 539	373 954	144 945	473 123	520 470	217 334	**3 862 852**
Credits to Member States	44 609	93 929	20 540	27 940	84 763	30 109	18 565	**462 437**
Total expenditure	**574 458**	**1 250 570**	**493 357**	**310 680**	**1 102 456**	**927 836**	**555 291**	**8 689 900**
Surplus/(deficit) for the year	**(25 252)**	**(91 792)**	**39 319**	**36 007**	**50 890**	**6 880**	**174 362**	**93 488**

Statement of financial position as at 30 June 2015: support activities

(Thousands of United States dollars)

	Peacekeeping Reserve Fund	*Support account*	*UNLB*	*UNLB — strategic deployment stocks*	*Employee benefits funds*	*Total*
Assets						
Cash and cash equivalents	32 982	11 320	3 586	24 330	470	72 688
Investments	105 645	36 126	11 333	78 041	1 508	232 653
Assessments receivable	1	–	–	–	–	1
Other receivables	–	1 080	1 008	–	–	2 088
Inventories	–	132	16 720	15 885	–	32 737
Property, plant and equipment	–	917	42 606	34 564	–	78 087
Other assets	13 033	396	193	376	19 676	33 674
Total assets	**151 661**	**49 971**	**75 446**	**153 196**	**21 654**	**451 928**
Liabilities						
Accounts payable	20	15 811	6 321	3 253	–	25 405
Employee benefits	–	5 022	524	–	1 552 176	1 557 722
Other liabilities and provisions	–	22 520	–	–	–	22 520
Total liabilities	**20**	**43 353**	**6 845**	**3 253**	**1 552 176**	**1 605 647**
Net of total assets and total liabilities	**151 641**	**6 618**	**68 601**	**149 943**	**(1 530 522)**	**(1 153 719)**
Net assets						
Accumulated surpluses/(deficits)	1 641	6 618	68 601	149 943	(1 530 522)	(1 303 719)
Reserves	150 000	–	–	–	–	150 000
Total net assets	**151 641**	**6 618**	**68 601**	**149 943**	**(1 530 522)**	**(1 153 719)**
Total liabilities and net assets	**151 661**	**49 971**	**75 446**	**153 196**	**21 654**	**451 928**

Statement of financial performance for the year ended 30 June 2015: support activities

(Thousands of United States dollars)

	Peacekeeping Reserve Fund	*Support account*	*UNLB*	*UNLB — strategic deployment stocks*	*Employee benefits funds*	***Total***
Assessed contributions	–	–	–	–	–	–
Voluntary contributions/other transfers	–	336 428	82 949	63 309	4 095	**486 781**
Investment revenue	911	567	136	601	8	**2 223**
Other revenue	–	23	161	1 611	–	**1 795**
Total revenue	**911**	**337 018**	**83 246**	**65 521**	**4 103**	**490 799**
Employee benefits and allowances	–	243 796	40 798	–	129 034	**413 628**
Contingent contracted services	–	–	–	–	–	–
Other expenses	1	81 902	34 599	21 788	–	**138 290**
Total expenditure	**1**	**325 698**	**75 397**	**21 788**	**129 034**	**551 918**
Surplus/(deficit) for the year	**910**	**11 320**	**7 849**	**43 733**	**(124 931)**	**(61 119)**

Statement of financial position as at 30 June 2015: closed missions

(Thousands of United States dollars)

	UNSMIS	*UNMIT*	*UNMIS*	*MINURCAT*	*UNOMIG*	*UNMEE*	*ONUB*	*UNAMSIL/ UNOMSIL*
Assets								
Cash and cash equivalents	476	1 957	9 786	12 099	353	731	587	1 497
Investments	1 416	6 159	30 349	38 654	1 089	2 204	1 727	4 658
Assessments receivable	221	479	–	–	–	–	–	–
Other receivables	103	72	119	–	–	–	–	–
Inventories	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	218	51	61	78	2	4	3	32
Total assets	**2 434**	**8 718**	**40 315**	**50 831**	**1 444**	**2 939**	**2 317**	**6 187**

	UNSMIS	*UNMIT*	*UNMIS*	*MINURCAT*	*UNOMIG*	*UNMEE*	*ONUB*	*UNAMSIL/ UNOMSIL*
Liabilities								
Accounts payable	473	202	37 800	16 791	537	970	967	5 142
Employee benefits	–	–	–	–	–	–	–	–
Other liabilities and provisions	1	51	667	1	456	–	1	4
Total liabilities	**474**	**253**	**38 467**	**16 792**	**993**	**970**	**968**	**5 146**
Net of total assets and total liabilities	**1 960**	**8 465**	**1 848**	**34 039**	**451**	**1 969**	**1 349**	**1 041**
Net assets								
Accumulated surpluses/(deficits)	1 960	8 465	1 848	34 039	451	1 969	1 349	1 041
Reserves	–	–	–	–	–	–	–	–
Total net assets	**1 960**	**8 465**	**1 848**	**34 039**	**451**	**1 969**	**1 349**	**1 041**

Statement of financial performance for the year ended 30 June 2015: closed missions

(Thousands of United States dollars)

	UNSMIS	*UNMIT*	*UNMIS*	*MINURCAT*	*UNOMIG*	*UNMEE*	*ONUB*	*UNAMSIL/ UNOMSIL*
Assessed contributions	–	–	–	–	–	–	–	–
Investment revenue	15	58	290	364	10	21	15	42
Other revenue	–	–	179	–	–	3	–	–
Total revenue	**15**	**58**	**469**	**364**	**10**	**24**	**15**	**42**
Employee benefits and allowances	–	(291)	–	(30)	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–	–
Other expenses	847	1 563	8 375	1 465	(1)	(19)	(7)	(79)
Credits to Member States	–	–	14 973	–	–	–	–	–
Total expenditure	**847**	**1 272**	**23 348**	**1 435**	**(1)**	**(19)**	**(7)**	**(79)**
Surplus/(deficit) for the year	**(832)**	**(1 214)**	**(22 879)**	**(1 071)**	**11**	**43**	**22**	**121**

Statement of financial position as at 30 June 2015: closed missions (continued)

(Thousands of United States dollars)

	UNMISET/ UNTAET	*UNIKOM*	*UNMIBH*	*UNMOT*	*MIPONUH/ UNSMIH/ UNTMIH*	*MINURCA*	*MONUA/ UNAVEM*	*UNPREDEP*
Assets								
Cash and cash equivalents	959	283	1 267	39	82	112	3 687	1 584
Investments	2 933	801	3 908	77	127	199	11 683	4 992
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	–	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–		–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	6	2	8	–	–	–	24	10
Total assets	**3 898**	**1 086**	**5 183**	**116**	**209**	**311**	**15 394**	**6 586**
Liabilities								
Accounts payable	1 861	966	4 450	6	114	7 480	5 253	6 081
Employee benefits	–	–	–	–	–	–	–	–
Other liabilities and provisions	2	–	–	–	7 366	16 648	–	–
Total liabilities	**1 863**	**966**	**4 450**	**6**	**7 480**	**24 128**	**5 253**	**6 081**
Net of total assets and total liabilities	**2 035**	**120**	**733**	**110**	**(7 271)**	**(23 817)**	**10 141**	**505**
Net assets								
Accumulated surpluses/(deficits)	2 035	120	733	110	(7 271)	(23 817)	10 141	505
Reserves	–	–	–	–	–	–	–	–
Total net assets	**2 035**	**120**	**733**	**110**	**(7 271)**	**(23 817)**	**10 141**	**505**

Statement of financial performance for the year ended 30 June 2015: closed missions (continued)

(Thousands of United States dollars)

	UNMISET/ UNTAET	*UNIKOM*	*UNMIBH*	*UNMOT*	*MIPONUH/ UNSMIH/ UNTMIH*	*MINURCA*	*MONUA/ UNAVEM*	*UNPREDEP*
Assessed contributions	–	–	–	–	–	–	–	–
Investment revenue	25	7	34	3	1	1	102	44
Other revenue	–	–	–	–	–	–	–	–
Total revenue	**25**	**7**	**34**	**3**	**1**	**1**	**102**	**44**
Employee benefits and allowances	1	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–	–
Other expenses	(53)	(1)	(9)	–	–	1	(16)	–
Credits to Member States	–	–	–	–	–	–	–	–
Total expenditure	**(52)**	**(1)**	**(9)**	**–**	**–**	**1**	**(16)**	**–**
Surplus/(deficit) for the year	**77**	**8**	**43**	**3**	**1**	**–**	**118**	**44**

Statement of financial position as at 30 June 2015: closed missions (continued)

(Thousands of United States dollars)

	UNPSG/ UNTAES	*UNOMIL*	*UNPF*	*MINUGUA*	*UNMIH*	*UNAMIR/ UNOMIR*	*ONUSAL*	*ONUMOZ*
Assets								
Cash and cash equivalents	1 288	53	19 726	–	3 390	3 856	130	117
Investments	3 977	156	63 132	–	10 768	12 310	269	256
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	–	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	8	–	14 377	–	20 088	38	1	1
Total assets	**5 273**	**209**	**97 235**	**–**	**34 246**	**16 204**	**400**	**374**

	UNPSG/ UNTAES	*UNOMIL*	*UNPF*	*MINUGUA*	*UNMIH*	*UNAMIR/ UNOMIR*	*ONUSAL*	*ONUMOZ*
Liabilities								
Accounts payable	4 742	34	46 772	–	12 685	5 712	9	313
Employee benefits	–	–	–	–	–	–	–	–
Other liabilities and provisions	–	–	–	124	–	–	–	–
Total liabilities	**4 742**	**34**	**46 772**	**124**	**12 685**	**5 712**	**9**	**313**
Net of total assets and total liabilities	**531**	**175**	**50 463**	**(124)**	**21 561**	**10 492**	**391**	**61**
Net assets								
Accumulated surpluses/(deficits)	531	175	50 463	(124)	21 561	10 492	391	61
Reserves	–	–	–	–	–	–	–	–
Total net assets	**531**	**175**	**50 463**	**(124)**	**21 561**	**10 492**	**391**	**61**

Statement of financial performance for the year ended 30 June 2015: closed missions (continued)

(Thousands of United States dollars)

	UNPSG/ UNTAES	*UNOMIL*	*UNPF*	*MINUGUA*	*UNMIH*	*UNAMIR/ UNOMIR*	*ONUSAL*	*ONUMOZ*
Assessed contributions	–	–	–	–	–	–	–	–
Investment revenue	35	4	567	–	161	108	4	2
Other revenue	–	–	–	–	–	–	–	–
Total revenue	**35**	**4**	**567**	**–**	**161**	**108**	**4**	**2**
Employee benefits and allowances	–	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–	–
Other expenses	(3)	–	(265)	–	(4)	(4)	(171)	(4)
Credits to Member States	–	–	–	–	–	–	–	–
Total expenditure	**(3)**	**–**	**(265)**	**–**	**(4)**	**(4)**	**(171)**	**(4)**
Surplus/(deficit) for the year	**38**	**4**	**832**	**–**	**165**	**112**	**175**	**6**

Statement of financial position as at 30 June 2015: closed missions (concluded)

(Thousands of United States dollars)

	UNOSOM	*UNMLT*	*UNTAC*	*UNTAG*	*UNIIMOG*	*UNEF*	*ONUC*	*Total*
Assets								
Cash and cash equivalents	76	3	50	145	81	–	–	64 414
Investments	84	2	28	357	190	–	–	202 505
Assessments receivable	–	–	–	–	–	–	–	700
Other receivables	–	–	–	–	–	–	–	294
Inventories	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–
Other assets	–	–	–	1	–	957	2 887	38 857
Total assets	**160**	**5**	**78**	**503**	**271**	**957**	**2 887**	**306 770**
Liabilities								
Accounts payable	15 559	4	39 942	160	101	19 518	8 364	243 008
Employee benefits	–	–	–	–	–	–	–	–
Other liabilities and provisions	–	–	–	–	–	20 928	38 183	84 432
Total liabilities	**15 559**	**4**	**39 942**	**160**	**101**	**40 446**	**46 547**	**327 440**
Net of total assets and total liabilities	**(15 399)**	**1**	**(39 864)**	**343**	**170**	**(39 489)**	**(43 660)**	**(20 670)**
Net assets								
Accumulated surpluses/(deficits)	(15 399)	1	(39 864)	343	170	(39 489)	(43 660)	(20 670)
Reserves	–	–	–	–	–	–	–	–
Total net assets	**(15 399)**	**1**	**(39 864)**	**343**	**170**	**(39 489)**	**(43 660)**	**(20 670)**

Statement of financial performance for the year ended 30 June 2015: closed missions (concluded)

(Thousands of United States dollars)

	UNOSOM	*UNMLT*	*UNTAC*	*UNTAG*	*UNIIMOG*	*UNEF*	*ONUC*	***Total***
Assessed contributions	–	–	–	–	–	–	–	–
Investment revenue	1	–	–	7	5	3 815	295	**6 036**
Other revenue	–	–	145	–	–	–	–	**327**
Total revenue	**1**	**–**	**145**	**7**	**5**	**3 815**	**295**	**6 363**
Employee benefits and allowances	–	–	–	–	–	–	–	**(320)**
Contingent contracted services	–	–	–	–	–	–	–	–
Other expenses	(32)	1	(30)	(2)	–	–	–	**11 552**
Credits to Member States	–	–	–	–	–	–	–	**14 973**
Total expenditure	**(32)**	**1**	**(30)**	**(2)**	**–**	**–**	**–**	**26 205**
Surplus/(deficit) for the year	**33**	**(1)**	**175**	**9**	**5**	**3 815**	**295**	**(19 842)**

Annex II

Budgetary reporting by mission

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Peacekeeping Force in Cyprus (UNFICYP)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	24 938	(600)	24 338	20 667	3 017	23 684	654
Civilian personnel	15 603	600	16 203	13 897	76	13 973	2 230
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	50	6	56	50	–	50	6
Official travel	276	–	276	253	22	275	1
Facilities and infrastructure	8 937	(735)	8 202	6 037	1 076	7 113	1 089
Ground transportation	2 889	18	2 907	2 452	34	2 486	421
Air transportation	2 632	311	2 943	2 235	407	2 642	301
Naval transportation	–	4	4	16	–	16	(12)
Communications	851	30	881	533	63	596	285
Information technology	1 036	135	1 171	1 016	314	1 330	(159)
Medical	342	200	542	422	26	448	94
Special equipment	–	–	–		–	–	–
Other supplies, services and equipment	451	31	482	394	188	582	(100)
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**17 464**	**–**	**17 464**	**13 408**	**2 130**	**15 538**	**1 926**
Subtotal	**58 005**	**–**	**58 005**	**47 972**	**5 223**	**53 195**	**4 810**
Prorated costs							
UNLB	774	–	774	774	–	774	–
Support account for peacekeeping operations	3 753	–	3 753	3 753	–	3 753	–
Subtotal	**4 527**	**–**	**4 527**	**4 527**	**–**	**4 527**	**–**
Voluntary contributions in kind (budgeted)	1 068	–	1 068	595	–	595	473
Total	**63 600**	**–**	**63 600**	**53 094**	**5 223**	**58 317**	**5 283**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Disengagement Observer Force (UNDOF)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	34 177	(6 442)	27 735	23 162	4 359	27 522	213
Civilian personnel	16 747	(227)	16 520	15 949	107	16 056	464
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	11	6	17	267	3	270	(253)
Official travel	437	460	897	891	44	935	(38)
Facilities and infrastructure	6 968	3 662	10 630	8 448	1 832	10 281	349
Ground transportation	2 677	1 330	4 007	1 179	1 492	2 671	1 336
Air transportation	–	–	–	6	–	6	(6)
Naval transportation	–	133	133	168	59	227	(94)
Communications	1 032	217	1 249	563	321	884	365
Information technology	984	500	1 484	951	646	1 597	(113)
Medical	313	–	313	290	208	498	(185)
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	764	362	1 126	1 927	323	2 251	(1 125)
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**13 187**	**6 669**	**19 856**	**14 690**	**4 929**	**19 619**	**237**
Subtotal	**64 111**	**–**	**64 111**	**53 801**	**9 396**	**63 197**	**914**
Prorated costs							
UNLB	855	–	855	855	–	855	–
Support account for peacekeeping operations	4 148	–	4 148	4 148	–	4 148	–
Subtotal	**5 003**	**–**	**5 003**	**5 003**	**–**	**5 003**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**69 114**	**–**	**69 114**	**58 804**	**9 396**	**68 200**	**914**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Interim Force in Lebanon (UNIFIL)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	324 701	(8 391)	316 310	252 032	54 436	306 468	9 842
Civilian personnel	94 681	6 465	101 146	98 062	23	98 085	3 061
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	64	(16)	48	127	3	130	(82)
Official travel	914	230	1 144	974	59	1 033	111
Facilities and infrastructure	24 787	(5 286)	19 501	18 075	365	18 440	1 061
Ground transportation	7 151	(246)	6 905	5 291	103	5 394	1 511
Air transportation	6 170	(14)	6 156	5 433	116	5 549	607
Naval transportation	34 206	5 949	40 155	18 005	22 041	40 046	109
Communications	7 542	–	7 542	2 367	585	2 952	4 590
Information technology	4 934	1 192	6 126	6 170	1 852	8 022	(1 896)
Medical	1 082	–	1 082	469	87	556	526
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	2 823	117	2 940	4 338	1 690	6 028	(3 088)
Quick-impact projects	500	–	500	347	150	497	3
Total operational requirements	**90 173**	**1 926**	**92 099**	**61 596**	**27 051**	**88 647**	**3 452**
Subtotal	**509 555**	**–**	**509 555**	**411 690**	**81 510**	**493 200**	**16 355**
Prorated costs							
UNLB	6 796	–	6 796	6 796	–	6 796	–
Support account for peacekeeping operations	32 972	–	32 972	32 972	–	32 972	–
Subtotal	**39 768**	**–**	**39 768**	**39 768**	**–**	**39 768**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**549 323**	**–**	**549 323**	**451 458**	**81 510**	**532 968**	**16 355**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Mission for the Referendum in Western Sahara (MINURSO)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	6 971	195	7 166	5 404	1 038	6 442	724
Civilian personnel	22 951	(195)	22 756	21 409	143	21 552	1 204
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	15	7	22	(24)	34	10	12
Official travel	716	–	716	485	100	585	131
Facilities and infrastructure	2 745	(154)	2 591	2 081	298	2 379	212
Ground transportation	1 784	57	1 841	665	970	1 635	206
Air transportation	11 036	(560)	10 476	10 330	132	10 462	14
Naval transportation	–	–	–	–	–	–	–
Communications	1 796	(401)	1 395	1 242	153	1 395	–
Information technology	1 262	542	1 804	911	588	1 499	305
Medical	139	–	139	74	18	92	47
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	4 503	509	5 012	3 778	1 231	5 009	3
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**23 996**	**–**	**23 996**	**19 542**	**3 524**	**23 066**	**930**
Subtotal	**53 918**	**–**	**53 918**	**46 355**	**4 705**	**51 060**	**2 858**
Prorated costs							
UNLB	719	–	719	719	–	719	–
Support account for peacekeeping operations	3 489	–	3 489	3 489	–	3 489	–
Subtotal	**4 208**	**–**	**4 208**	**4 208**	**–**	**4 208**	**–**
Voluntary contributions in kind (budgeted)	2 072	–	2 072	2 967	–	2 967	(895)
Total	**60 198**	**–**	**60 198**	**53 530**	**4 705**	**58 235**	**1 963**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Interim Administration Mission in Kosovo (UNMIK)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	800	–	800	524	4	528	272
Civilian personnel	34 189	(335)	33 854	30 780	128	30 908	2 946
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	229	(8)	221	249	12	261	(40)
Official travel	451	(50)	401	374	54	428	(27)
Facilities and infrastructure	2 791	609	3 400	2 533	796	3 329	71
Ground transportation	442	(235)	207	245	27	272	(65)
Air transportation	–	–	–	–	–	–	–
Naval transportation	–	–	–	–	–	–	–
Communications	1 564	(167)	1 397	622	73	695	702
Information technology	1 472	122	1 594	1 463	542	2 005	(411)
Medical	80	(10)	70	8	11	19	51
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	534	74	608	555	181	736	(128)
Quick-impact projects	419	–	419	272	144	416	3
Total operational requirements	**7 982**	**335**	**8 317**	**6 321**	**1 840**	**8 161**	**156**
Subtotal	**42 971**	**–**	**42 971**	**37 625**	**1 972**	**39 597**	**3 374**
Prorated costs							
UNLB	573	–	573	573	–	573	–
Support account for peacekeeping operations	2 781	–	2 781	2 781	–	2 781	–
Subtotal	**3 354**	**–**	**3 354**	**3 354**	**–**	**3 354**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**46 325**	**–**	**46 325**	**40 979**	**1 972**	**42 951**	**3 374**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	647 999	(2 561)	645 438	546 169	97 995	644 164	1 274
Civilian personnel	335 313	8 155	343 468	337 189	3 773	340 962	2 506
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	550	(75)	475	394	79	473	2
Official travel	8 485	1 067	9 552	7 767	1 738	9 505	47
Facilities and infrastructure	82 904	2 963	85 867	77 186	8 542	85 728	139
Ground transportation	23 238	(244)	22 994	21 673	385	22 058	936
Air transportation	233 713	(15 047)	218 666	158 271	59 074	217 345	1 321
Naval transportation	1 294	245	1 539	1 063	476	1 539	–
Communications	24 806	1 007	25 813	19 560	6 276	25 836	(23)
Information technology	16 825	7 890	24 715	17 450	6 315	23 765	950
Medical	1 396	1 727	3 123	725	1 873	2 598	525
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	41 159	(5 127)	36 032	26 345	9 743	36 088	(56)
Quick-impact projects	7 000	–	7 000	4 675	2 010	6 685	315
Total operational requirements	**441 370**	**(5 594)**	**435 776**	**335 109**	**96 511**	**431 620**	**4 156**
Subtotal	**1 424 682**	**–**	**1 424 682**	**1 218 467**	**198 279**	**1 416 746**	**7 936**
Prorated costs							
UNLB	18 634	–	18 634	18 634	–	18 634	–
Support account for peacekeeping operations	90 398	–	90 398	90 398	–	90 398	–
Subtotal	**109 032**	**–**	**109 032**	**109 032**	**–**	**109 032**	**–**
Voluntary contributions in kind (budgeted)	1 439	–	1 439	711	–	711	728
Total	**1 535 153**	**–**	**1 535 153**	**1 328 210**	**198 279**	**1 526 489**	**8 664**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Mission in Liberia (UNMIL)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	206 974	(2 200)	204 774	149 940	46 063	196 003	8 771
Civilian personnel	119 725	2 900	122 625	118 964	1 920	120 884	1 741
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	487	14	501	122	97	219	282
Official travel	2 062	–	2 062	1 256	371	1 627	435
Facilities and infrastructure	33 701	(6 740)	26 961	22 062	3 720	25 782	1 179
Ground transportation	14 155	(2 387)	11 768	6 755	2 637	9 392	2 376
Air transportation	29 416	4 422	33 838	30 371	2 822	33 193	645
Naval transportation	3 140	–	3 140	3 077	58	3 135	5
Communications	6 618	(910)	5 708	3 878	1 400	5 278	430
Information technology	5 915	1 077	6 992	5 571	685	6 256	736
Medical	1 168	1 075	2 243	1 937	305	2 242	1
Special equipment	–	–	–	–	1 129	1 129	(1 129)
Other supplies, services and equipment	2 906	2 749	5 655	4 721	110	4 831	824
Quick-impact projects	1 000	–	1 000	888	–	888	112
Total operational requirements	**100 568**	**(700)**	**99 868**	**80 638**	**13 333**	**93 971**	**5 897**
Subtotal	**427 267**	**–**	**427 267**	**349 542**	**61 316**	**410 858**	**16 409**
Prorated costs							
UNLB	5 699	–	5 699	5 699	–	5 699	–
Support account for peacekeeping operations	27 647	–	27 647	27 647	–	27 647	–
Subtotal	**33 346**	**–**	**33 346**	**33 346**	**–**	**33 346**	**–**
Voluntary contributions in kind (budgeted)	53	–	53	53	–	53	–
Total	**460 666**	**–**	**460 666**	**382 941**	**61 316**	**444 257**	**16 409**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Operation in Côte d'Ivoire (UNOCI)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	260 887	(810)	260 077	206 941	43 448	250 389	9 688
Civilian personnel	102 224	–	102 224	88 448	1 689	90 137	12 087
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	602	(223)	379	173	94	267	112
Official travel	3 669	(7)	3 662	2 501	866	3 367	295
Facilities and infrastructure	34 284	(3 358)	30 926	24 876	5 687	30 563	363
Ground transportation	7 067	779	7 846	7 407	445	7 852	(6)
Air transportation	35 874	(592)	35 282	26 231	4 104	30 335	4 947
Naval transportation	6	23	29	2	15	17	12
Communications	8 031	(1 677)	6 354	3 832	794	4 626	1 728
Information technology	5 417	3 370	8 787	6 198	1 400	7 598	1 189
Medical	1 372	–	1 372	791	229	1 020	352
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	32 137	2 495	34 632	24 409	8 944	33 353	1 279
Quick-impact projects	2 000	–	2 000	868	1 120	1 988	12
Total operational requirements	**130 459**	**810**	**131 269**	**97 288**	**23 698**	**120 986**	**10 283**
Subtotal	**493 570**	**–**	**493 570**	**392 677**	**68 835**	**461 512**	**32 058**
Prorated costs							
UNLB	6 583	–	6 583	6 583	–	6 583	–
Support account for peacekeeping operations	31 938	–	31 938	31 938	–	31 938	–
Subtotal	**38 521**	**–**	**38 521**	**38 521**	**–**	**38 521**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**532 091**	**–**	**532 091**	**431 198**	**68 835**	**500 033**	**32 058**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Stabilization Mission in Haiti (MINUSTAH)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	248 450	14 399	262 849	211 622	40 219	251 841	11 008
Civilian personnel	120 656	65	120 721	109 651	2 425	112 076	8 645
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	1 810	(438)	1 372	996	303	1 299	73
Official travel	4 259	430	4 689	1 982	784	2 766	1 923
Facilities and infrastructure	61 130	(21 976)	39 154	30 306	7 498	37 804	1 350
Ground transportation	9 440	(548)	8 892	5 729	981	6 710	2 182
Air transportation	13 921	(2 400)	11 521	10 320	1 029	11 349	172
Naval transportation	301	–	301	198	94	292	9
Communications	14 018	(4 435)	9 583	6 452	1 307	7 759	1 824
Information technology	8 198	2 503	10 701	8 454	2 247	10 701	(0)
Medical	1 810	(327)	1 483	742	349	1 091	392
Special equipment	–	45	45	–	–	–	45
Other supplies, services and equipment	11 088	12 682	23 770	15 569	8 916	24 485	(715)
Quick-impact projects	5 000	–	5 000	4 335	624	4 959	41
Total operational requirements	**130 975**	**(14 464)**	**116 511**	**85 083**	**24 132**	**109 215**	**7 296**
Subtotal	**500 081**	**–**	**500 081**	**406 356**	**66 776**	**473 132**	**26 949**
Prorated costs							
UNLB	6 670	–	6 670	6 670	–	6 670	–
Support account for peacekeeping operations	32 359	–	32 359	32 359	–	32 359	–
Subtotal	**39 029**	**–**	**39 029**	**39 029**	**–**	**39 029**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**539 110**	**–**	**539 110**	**445 385**	**66 776**	**512 161**	**26 949**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: African Union-United Nations Hybrid Operation in Darfur (UNAMID)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	559 411	18 880	578 291	461 055	96 843	557 898	20 393
Civilian personnel	272 305	26 909	299 214	282 199	7 657	289 856	9 358
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	347	173	520	142	183	325	195
Official travel	5 120	2 141	7 261	5 128	1 513	6 641	620
Facilities and infrastructure	91 733	(2 755)	88 978	61 250	11 942	73 192	15 786
Ground transportation	16 600	28	16 628	10 263	2 711	12 974	3 654
Air transportation	125 857	(41 784)	84 073	72 267	6 495	78 762	5 311
Naval transportation	–	320	320	106	175	281	39
Communications	25 613	(4 243)	21 370	10 958	5 847	16 805	4 565
Information technology	18 361	2 835	21 196	13 640	4 528	18 168	3 028
Medical	1 064	491	1 555	757	255	1 012	543
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	35 200	(2 995)	32 205	23 366	7 786	31 152	1 053
Quick-impact projects	2 000	–	2 000	1 440	559	1 999	1
Total operational requirements	**321 895**	**(45 789)**	**276 106**	**199 317**	**41 994**	**241 311**	**34 795**
Subtotal	**1 153 611**	**–**	**1 153 611**	**942 571**	**146 494**	**1 089 065**	**64 546**
Prorated costs							
UNLB	–	–	–	–	–	–	–
Support account for peacekeeping operations	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**1 153 611**	**–**	**1 153 611**	**942 571**	**146 494**	**1 089 065**	**64 546**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Interim Security Force for Abyei (UNISFA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	142 143	(274)	141 869	105 727	29 935	135 662	6 207
Civilian personnel	29 123	274	29 397	28 824	371	29 195	202
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	20	14	34	43	26	69	(35)
Official travel	1 283	53	1 336	882	337	1 219	117
Facilities and infrastructure	45 283	8 689	53 972	19 538	29 897	49 435	4 537
Ground transportation	10 309	(1 062)	9 247	3 402	2 307	5 709	3 538
Air transportation	48 085	(9 476)	38 609	28 926	4 686	33 612	4 997
Naval transportation	–	355	355	126	229	355	–
Communications	6 297	85	6 382	2 591	1 071	3 662	2 720
Information technology	4 995	640	5 635	4 437	2 514	6 951	(1 316)
Medical	486	–	486	171	208	379	107
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	30 401	702	31 103	24 891	10 249	35 140	(4 037)
Quick-impact projects	500	–	500	494	–	494	6
Total operational requirements	**147 659**	**–**	**147 659**	**85 501**	**51 524**	**137 025**	**10 634**
Subtotal	**318 925**	**–**	**318 925**	**220 052**	**81 830**	**301 882**	**17 043**
Prorated costs							
UNLB	4 254	–	4 254	4 254	–	4 254	–
Support account for peacekeeping operations	20 637	–	20 637	20 637	–	20 637	–
Subtotal	**24 891**	**–**	**24 891**	**24 891**	**–**	**24 891**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**343 816**	**–**	**343 816**	**244 943**	**81 830**	**326 773**	**17 043**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Mission in South Sudan (UNMISS)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	443 364	–	443 364	285 609	117 530	403 139	40 225
Civilian personnel	249 761	–	249 761	234 890	4 412	239 302	10 459
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	834	(124)	710	573	257	830	(120)
Official travel	6 257	2 050	8 307	5 804	2 189	7 993	314
Facilities and infrastructure	125 984	2 901	128 885	72 060	43 036	115 096	13 789
Ground transportation	20 506	5 846	26 352	11 873	12 582	24 455	1 897
Air transportation	137 518	(10 280)	127 238	118 120	12 449	130 569	(3 331)
Naval transportation	2 302	(510)	1 792	719	2 342	3 061	(1 269)
Communications	14 240	2 831	17 071	8 891	2 559	11 450	5 621
Information technology	16 871	1 710	18 581	16 423	8 573	24 996	(6 415)
Medical	2 841	(1 819)	1 022	874	1 079	1 953	(931)
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	75 837	(2 605)	73 232	62 637	15 899	78 536	(5 304)
Quick-impact projects	1 000	–	1 000	1 000	–	1 000	–
Total operational requirements	**404 190**	**–**	**404 190**	**298 974**	**100 965**	**399 939**	**4 251**
Subtotal	**1 097 315**	**–**	**1 097 315**	**819 473**	**222 907**	**1 042 380**	**54 935**
Prorated costs							
UNLB	–	–	–	–	–	–	–
Support account for peacekeeping operations	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**1 097 315**	**–**	**1 097 315**	**819 473**	**222 907**	**1 042 380**	**54 935**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Support Office for the African Union Mission in Somalia (UNSOA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	113 298	(1 930)	111 368	90 125	20 616	110 741	627
Civilian personnel	54 114	(1 475)	52 639	51 431	440	51 871	768
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	1 980	(665)	1 315	2 643	507	3 150	(1 835)
Official travel	2 456	1 453	3 909	3 524	934	4 458	(549)
Facilities and infrastructure	93 923	5 461	99 384	64 551	36 476	101 027	(1 643)
Ground transportation	43 157	(106)	43 051	30 554	7 371	37 925	5 126
Air transportation	47 146	10 060	57 206	47 662	10 561	58 223	(1 017)
Naval transportation	563	(180)	383	1 708	1 977	3 685	(3 302)
Communications	34 026	(11 552)	22 474	12 212	2 611	14 823	7 651
Information technology	12 545	4 324	16 869	9 541	10 887	20 428	(3 559)
Medical	18 827	(514)	18 313	7 098	5 213	12 311	6 002
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	67 933	(4 876)	63 057	47 939	19 308	67 247	(4 190)
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**322 556**	**3 405**	**325 961**	**227 432**	**95 845**	**323 277**	**2 684**
Subtotal	**489 968**	**–**	**489 968**	**368 988**	**116 901**	**485 889**	**4 079**
Prorated costs							
UNLB	6 535	–	6 535	6 535	–	6 535	–
Support account for peacekeeping operations	31 705	–	31 705	31 705	–	31 705	–
Subtotal	**38 240**	**–**	**38 240**	**38 240**	**–**	**38 240**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**528 208**	**–**	**528 208**	**407 228**	**116 901**	**524 129**	**4 079**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	297 771	(14 967)	282 804	171 504	104 155	275 659	7 145
Civilian personnel	77 249	10 895	88 144	88 857	1 590	90 447	(2 303)
Operational requirements							
Civilian electoral observers	–	50	50	–	–	–	50
Consultants	57	629	686	368	313	681	5
Official travel	3 302	2 929	6 231	3 434	2 818	6 252	(21)
Facilities and infrastructure	108 574	2 819	111 393	64 895	40 690	105 585	5 808
Ground transportation	24 595	5 172	29 767	16 405	10 805	27 210	2 557
Air transportation	56 696	(26 853)	29 843	24 390	5 789	30 179	(336)
Naval transportation	–	648	648	447	3 249	3 696	(3 048)
Communications	8 253	7 871	16 124	7 874	5 206	13 080	3 044
Information technology	11 620	13 277	24 897	17 392	8 219	25 611	(714)
Medical	2 039	3 025	5 064	1 983	1 277	3 260	1 804
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	37 568	(5 495)	32 073	19 991	10 497	30 488	1 585
Quick-impact projects	1 000	–	1 000	974	34	1 008	(8)
Total operational requirements	**253 704**	**4 072**	**257 776**	**158 153**	**88 897**	**247 050**	**10 726**
Subtotal	**628 724**	**–**	**628 724**	**418 514**	**194 642**	**613 156**	**15 568**
Prorated costs							
UNLB	–	–	–	–	–	–	–
Support account for peacekeeping operations	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**628 724**	**–**	**628 724**	**418 514**	**194 642**	**613 156**	**15 568**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	336 224	(15 945)	320 279	233 365	82 729	316 094	4 185
Civilian personnel	120 849	3 308	124 156	121 219	2 856	124 075	81
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	519	1 445	1 965	1 300	653	1 953	12
Official travel	3 485	2 215	5 699	3 954	1 705	5 659	40
Facilities and infrastructure	200 463	15 055	215 518	95 442	119 680	215 122	396
Ground transportation	21 724	1 512	23 237	14 536	8 636	23 172	65
Air transportation	128 306	(19 614)	108 692	64 262	44 428	108 689	2
Naval transportation	417	2 032	2 449	1 067	1 381	2 448	1
Communications	22 361	(11 098)	11 263	7 282	3 933	11 215	48
Information technology	16 622	5 833	22 455	13 402	9 050	22 452	3
Medical	2 685	2 307	4 992	4 150	456	4 606	386
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	54 384	12 940	67 324	42 864	24 116	66 980	344
Quick-impact projects	3 000	10	3 010	2 115	894	3 009	0
Total operational requirements	**453 965**	**12 637**	**466 603**	**250 374**	**214 932**	**465 306**	**1 297**
Subtotal	**911 038**	–	**911 038**	**604 958**	**300 517**	**905 475**	**5 563**
Prorated costs							
UNLB	11 080	–	11 080	11 080	–	11 080	–
Support account for peacekeeping operations	53 752	–	53 752	53 752	–	53 752	–
Subtotal	**64 832**	–	**64 832**	**64 832**	–	**64 832**	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	**975 870**	–	**975 870**	**669 790**	**300 517**	**970 307**	**5 563**

Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: Support account for peacekeeping operations

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	–	–	–	–	–	–	–
Civilian personnel	232 593	(353)	232 240	233 026	691	233 717	(1 477)
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	4 635	(247)	4 388	2 648	803	3 451	937
Official travel	10 403	30	10 433	7 818	1 420	9 238	1 195
Facilities and infrastructure	23 315	(70)	23 245	22 501	391	22 892	353
Ground transportation	–	–	–	–	–	–	–
Air transportation	–	–	–	–	–	–	–
Naval transportation	–	–	–	–	–	–	–
Communications	2 146	(8)	2 138	2 213	187	2 400	(262)
Information technology	36 637	1 308	37 945	32 989	4 963	37 952	(7)
Medical	–	8	8	8	–	8	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	16 318	(668)	15 650	13 996	513	14 509	1 141
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**93 454**	**353**	**93 807**	**82 173**	**8 277**	**90 450**	**3 357**
Total	**326 047**	**–**	**326 047**	**315 199**	**8 968**	**324 167**	**1 880**

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Mission comparison of budget and actual amounts on a budget basis from 1 July 2014 to 30 June 2015: United Nations Logistics Base at Brindisi, Italy (UNLB)

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution	*Redeployment*	*Revised distribution*	*Disbursements*	*Unliquidated obligations*	*Total expenditure*	*Balance*
Military and police personnel	–	–	–	–	–	–	–
Civilian personnel	44 796	(146)	44 650	40 893	50	40 943	3 707
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants	492	–	492	385	263	648	(156)
Official travel	1 000	–	1 000	974	83	1 057	(57)
Facilities and infrastructure	7 218	461	7 679	5 908	1 720	7 628	51
Ground transportation	570	(12)	558	506	42	548	10
Air transportation	–	–	–	–	–	–	–
Naval transportation	–	–	–	–	–	–	–
Communications	6 983	(451)	6 532	2 629	210	2 839	3 693
Information technology	7 971	135	8 106	10 101	1 160	11 261	(3 155)
Medical	351	(49)	302	61	10	71	231
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	958	62	1 020	313	1 175	1 488	(468)
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	**25 543**	**146**	**25 689**	**20 877**	**4 663**	**25 540**	**149**
Subtotal	**70 339**	**–**	**70 339**	**61 770**	**4 713**	**66 483**	**3 856**
Strategic deployment stock activities — replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions and other entities	108 657	–	108 657	13 924	20 360	34 284	74 373
Total	**178 996**	**–**	**178 996**	**75 694**	**25 073**	**100 767**	**78 229**